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THE W. T. GRIMM & CO.

MERGERSTAT® REVIEW 1987

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EDITOR

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INTRODUCTION

Founded in 1951, W. T. Grimm & Co. is one of the oldest firms in the country specializing in the merger, purchase or sale of established companies. We enjoy an international reputation as a leader in developing merger and acquisition transactions in all branches of industry and have implemented hundreds of assignments for owners of companies seeking a merger or sale of their business or for corporations seeking acquisitions.

The W. T. Grimm & Co. Research Department was initially established in 1963 to educate and to keep the firm's professional staff posted on changing merger trends, prices, P/Es, etc. It maintains a detailed account of every "publicly announced" merger-acquisition-divestiture and has thus far recorded a grand total of 73,925 transactions.

In addition to recording the identities of buyer and seller and other items, the price paid, the form of payment, the price/earnings ratio paid, we compute the premium paid over market and the price to book for every transaction disclosing the requisite information. Each transaction is then classified into one of 50 industry categories. Such a data base provides a quick reference to the range of merger prices and ratios with respect to the industry classification of the seller.

Buyer and seller clients of W. T. Grimm & Co. always receive the benefit of this data to guide them to a merger price indicative of the industry served. The merger data bank contains invaluable information on the buying habits of many companies and is one of the many sources utilized in finding a buyer for a specific type of business.

The W. T. Grimm & Co. Research Department can prepare special studies and reports on a contract basis tailored to the individual needs of the client. Our Research Department will be pleased to accommodate your requests for information of a specialized nature.

Please feel welcome to contact us with comments or inquiries regarding our research and intermediary services.

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I.

STATISTICAL REVIEW AND DISCUSSION

NET MERGER AND ACQUISITION ANNOUNCEMENTS

1987 — A Seven-Year Low

In the shadow of the October stock market crash, net merger and acquisition announcements fell to a seven-year low in 1987, with a total of 2,032, a 39% decrease from the 1986 tally of 3,336. Year-to-year figures are shown in Figure 1 on page 2.

The pace of merger and acquisition activity fluctuated throughout the year. Although statistically there was only a slight dropoff in activity during the fourth quarter, the stock market crash in fact quelled a heated merger market. Announcements totalled 1,031 during the first half of the year and dropped off to 1,001 in the second half.

As shown in Figure 1, the 1970s were generally a period of declining merger and acquisition activity, while the 1980s have been a period of increasing merger and acquisition activity. Factors contributing to this are:

1) the challenges of a new economic environment
2) the availability of undervalued targets
3) the 1981 Economic Recovery Tax Act
4) the deregulation of banks
5) the anti-trust posture of the Reagan Administration
6) structural changes in various industries.

The 1980s ushered in an economic environment characterized by disinflation, high real interest rates, increased global competition, and rapid technological advances which simultaneously create new markets and weaken others. Corporate managers responded by initiating aggressive cost-cutting and marketing strategies. These strategies included asset liquidation and redeployment programs. Stressing more efficient and leaner operations to withstand the pressures of changing economic and market conditions, corporate managers implemented divestiture programs. Moreover, while selling off unrelated or unprofitable assets, managers also acquired businesses that extended or complemented their core product lines. This corporate restructuring has contributed to a higher level of merger and acquisition activity.

TRACKING CRITERIA

The W. T. Grimm & Co. Research Department records publicly announced formal transfers of ownership of at least 10% of a company's assets or equity where the purchase price is at least $500,000, and where one of the parties is a U.S. company. These transactions are recorded as they are announced, not as they are completed. Open-market stock purchases are not recorded. Cancelled transactions are deducted from total announcements in the period in which the cancellation occurred, resulting in net merger-acquisition announcements for that period. Cancellation totals appear on page 101. Unless otherwise noted, all merger-acquisition statistics contained in the following pages reflect completed or pending transactions as of the end of the applicable period.

NET MERGER-ACQUISITION ANNOUNCEMENTS
1963-1987

Year	Number	Year to Year Percentage Change
1963	1,361	
1964	1,950	+43%
1965	2,125	+ 9%
1966	2,377	+12%
1967	2,975	+25%
1968	4,462	+50%
1969	6,107	+37%
1970	5,152	−16%
1971	4,608	−11%
1972	4,801	+ 4%
1973	4,040	−16%
1974	2,861	−29%
1975	2,297	−20%
1976	2,276	− 1%
1977	2,224	− 2%
1978	2,106	− 5%
1979	2,128	+ 1%
1980	1,889	−11%
1981	2,395	+27%
1982	2,346	− 2%
1983	2,533	+ 8%
1984	2,543	—
1985	3,001	+18%
1986	3,336	+11%
1987	2,032	−39%
	73,925	

Source: W. T. Grimm & Co.

Figure 1.

Historical Note

W. T. Grimm & Co. began recording merger-acquisition announcements on Jan. 1, 1963. Net announcements increased in each of the next six years, reaching the current record of 6,107 in 1969. The 2,032 announcements of 1987 are nearly 67% below that record level. The 39% decline in net announcements in 1987 represents the largest year-to-year drop since 1963 and the first drop in five years.

Most economic historians have identified four periods of increased merger-acquisition activity dating back to the turn of the 20th century:

(1) 1893-1904, activity dominated by same-industry consolidations of many small firms, resulting in monopolistic entities. Some believed the Sherman Antitrust Act of 1890 helped to foster these horizontal mergers since the Sherman Act outlawed collusion, but not mergers;

(2) 1915-1929, characterized by horizontal mergers of secondary firms, resulting in oligopolies, in which a few large firms dominated an industry;

(3) 1940s, activity consisted of acquisitions of many small, privately held businesses by large companies on a friendly basis. Burdensome estate taxes forced smaller corporate owners to sell out;

(4) mid-1950s-1969 (see WTG statistics from 1963 to 1969), identified as the longest and largest merger-acquisition wave with the highest number of transactions. Designated as conglomerate mergers, they were characterized by small and medium-sized companies acquiring other small/medium-sized firms in unrelated industries. The conglomerate merger wave was propelled by the theory of diversification, which held that the control of a variety of businesses would lessen the risk of business cycles. Some have argued that the stricter enforcement of antitrust laws prohibiting horizontal and vertical mergers played a role in fueling conglomerate activity. Accounting techniques, namely pooling of interest, however, did encourage conglomerate acquisitions by allowing acquirers to combine their sales and earnings with those of sellers, thereby immediately boosting the earnings per share of the acquirer. This further stimulated the merger movement by enabling the acquirer to purchase more companies with seemingly higher-valued stock. The drop in the stock market during 1970 and the imposition of stricter accounting procedures spelled an end to the conglomerate wave. Conglomerates such as ITT, Textron, Litton Industries and LTV (Ling-Temco-Vought) grew out of this era.

Some analysts and economists have identified a fifth period of intense merger activity beginning in the mid-1970s and continuing into the 1980s, based on record dollars paid for acquisitions. While dollar totals in the past few years have exploded, the number of transactions during the period have not. *(See page 7 for dollar total discussion.)*

QUARTERLY NET MERGER-ACQUISITION ANNOUNCEMENTS 1973-1987

Year	First	Second	Third	Fourth	Annual
1973	1,214	984	981	861	4,040
1974	878	791	660	532	2,861
1975	579	626	527	565	2,297
1976	557	713	506	500	2,276
1977	490	571	616	547	2,224
1978	511	596	501	498	2,106
1979	580	537	506	505	2,128
1980	411	445	498	535	1,889
1981	599	585	623	588	2,395
1982	604	594	574	574	2,346
1983	540	595	677	721	2,533
1984	710	627	562	644	2,543
1985	829	734	732	706	3,001
1986	727	800	907	902	3,336
1987	614	417	545	456	2,032

Source: W. T. Grimm & Co.

Figure 2.

Each quarter of 1987 showed a substantial decline in merger and acquisition announcements from the comparable 1986 periods. Announcements fell almost 16% in the first quarter; 48% in the second; 40% in the third, and 49% in the fourth. The second quarter recorded the second-lowest level of quarterly announcements since 1973, while the fourth quarter showed the fourth-lowest level.

The 1,031 first-half announcements in 1987 represented a substantial 33% drop from 1986's 1,527, while the 1,001 second-half announcements were 45% below the same period the year before, when tax-reform incentives encouraged acquisitions.

The following table (Figure 3) segregates merger announcements into (1) divestitures, (2) acquisitions of publicly traded companies, (3) acquisitions of privately held companies, and (4) acquisitions of foreign companies by U.S. firms. Each of the last three transaction groupings consists of acquisitions of entire companies, as opposed to the first category, divestitures, which includes the purchase of divisions, subsidiaries, or certain assets of parent companies.

W. T. Grimm & Co.'s Composition Categories are comprised as follows:

—Divestitures: includes sales of corporate units, unit management buyouts and minority-interest purchases, both foreign and domestic, public and private.

—Publicly traded sellers: includes acquisitions of publicly traded companies, tender offers and public statutory mergers, but excludes any minority-interest purchases and acquisitions of foreign companies.

—Privately owned sellers: includes acquisitions of all privately held companies except those considered divestitures and those of foreign companies.

—Foreign sellers: includes all acquisitions of foreign companies except foreign divestitures, unit management buyouts and minority-interest purchases.

COMPOSITION OF NET MERGER-ACQUISITION ANNOUNCEMENTS
First Quarter 1983-Fourth Quarter 1987

Quarter	Divestitures	Acquisitions of Publicly Traded Sellers	Acquisitions of Privately Owned Sellers	Acquisitions of Foreign Sellers	Net Announcements
1st -1983	194	39	289	18	540
2nd-1983	236	51	282	26	595
3rd -1983	264	40	350	23	677
4th -1983	238	60	395	28	721
Annual	932	190	1,316	95	2,533
1st -1984	258	62	367	23	710
2nd-1984	204	61	343	19	627
3rd -1984	186	56	294	26	562
4th -1984	252	32	347	13	644
Annual	900	211	1,351	81	2,543
1st -1985	346	96	361	26	829
2nd-1985	294	93	317	30	734
3rd -1985	313	79	324	16	732
4th -1985	265	68	356	17	706
Annual	1,218	336	1,358	89	3,001
1st -1986	295	94	317	21	727
2nd-1986	305	93	370	32	800
3rd -1986	383	100	404	21	908
4th -1986	276	99	507	19	901
Annual	1,259	386	1,598	93	3,336
1st -1987	252	68	271	23	614
2nd-1987	180	59	165	13	417
3rd -1987	205	84	230	26	545
4th -1987	170	75	189	22	456
Annual	807	286	855	84	2,032

Source: W. T. Grimm & Co.

Figure 3.

As indicated above, the 1987 decline was most conspicuous in the category of acquisitions of privately owned sellers, where the number of announcements plunged 46.5%, from 1,598 in 1986 to 855. (The same category had shown the strongest gains in 1986.) Divestiture announcements dropped 36% in 1987 to 807 and acquisitions of publicly traded sellers slumped 26% to 286. Least affected were acquisitions of foreign sellers, where announcements were off 10%. That category, in fact, reported the only half-year increase in 1987, with a rise of 20% in the second half over the same period in 1986.

Figure 4 provides an annual survey of acquisition activity among the four transaction types since 1976. Numbers of deals are provided for each grouping along with the respective percentages of total activity.

COMPOSITION OF NET MERGER-ACQUISITION ANNOUNCEMENTS 1976-1987

Year	Divestitures	Acquisitions of Publicly Traded Sellers	Acquisitions of Privately Owned Sellers	Acquisitions of Foreign Sellers	Net Announcements
1976	1,204 (53%)	163 (7%)	856 (38%)	53 (2%)	2,276
1977	1,002 (45%)	193 (9%)	971 (44%)	58 (2%)	2,224
1978	820 (39%)	260 (12%)	969 (46%)	57 (3%)	2,106
1979	752 (35%)	248 (12%)	1,049 (49%)	79 (4%)	2,128
1980	666 (35%)	173 (9%)	988 (52%)	62 (4%)	1,889
1981	830 (35%)	168 (7%)	1,330 (55%)	67 (3%)	2,395
1982	875 (37%)	180 (8%)	1,222 (52%)	69 (3%)	2,346
1983	932 (37%)	190 (7%)	1,316 (52%)	95 (4%)	2,533
1984	900 (36%)	211 (8%)	1,351 (53%)	81 (3%)	2,543
1985	1,218 (41%)	336 (11%)	1,358 (45%)	89 (3%)	3,001
1986	1,259 (38%)	386 (11%)	1,598 (48%)	93 (3%)	3,336
1987	807 (40%)	286 (14%)	855 (42%)	84 (4%)	2,032

Source: W. T. Grimm & Co.

Figure 4. (Composition data available since 1976.)

The four transaction types are further analyzed in their respective chapters. A discussion of divestitures begins on page 63, acquisitions of publicly traded sellers on page 77, acquisitions of privately owned companies on page 88, and foreign sellers on page 55. Detailed information on $100-million deals in each category appears on page 10.

TOTAL DOLLAR VALUE PAID

The 1987 total dollar value paid for the 972 announced transactions reporting a purchase price (see Figure 5) was nearly $163.7 billion. While that figure is lower than in 1986 and 1985, it represents the highest average price ($168.4 million) and highest median price ($51.3 million) recorded to date, thanks to a record-shattering 31% of reporting transactions topping the $100-million mark. (The 23.6% of reporting transactions over $100 million in 1986 was the previous record.)

In fact, the 36 $1-billion-plus transactions announced in 1987 matched the record number set in 1985 — the "Year of the Megadeals," — and 1987's No. 1 deal, British Petroleum's acquisition of Standard Oil Co. of Ohio, was larger than any 1985 transactions. However, the total dollar value of $1-billion-plus transactions announced in 1987 was $66.2 billion, far below the 1985 total of $92.7 billion.

Purchase prices were disclosed for approximately 48% of the 1987 announced mergers and acquisitions, the highest percentage of disclosures since 1979.

AVERAGE & MEDIAN PURCHASE PRICE
1968-1987
(millions of dollars)

Year	Total Dollar Value Paid	Base*	Total**	Number of Transactions Valued at $100MM or More	Number of Transactions Valued at $1,000MM or More	Average Price	Median Price
1968	$ 43,609.0	1,514	4,462	46	-	$ 28.8	na
1969	23,710.9	2,300	6,107	24	-	10.3	na
1970	16,414.9	1,671	5,152	10	1	9.8	na
1971	12,619.3	1,707	4,608	7	-	7.4	na
1972	16,680.5	1,930	4,801	15	-	8.6	$ 2.8
1973	16,664.5	1,574	4,040	28	-	10.6	3.4
1974	12,465.6	995	2,861	15	-	12.5	3.6
1975	11,796.4	848	2,297	14	1	13.9	4.3
1976	20,029.5	998	2,276	39	1	20.1	5.1
1977	21,937.1	1,032	2,224	41	-	21.3	6.6
1978	34,180.4	1,071	2,106	80	1	31.9	8.1
1979	43,535.1	1,047	2,128	83	3	41.6	8.5
1980	44,345.7	890	1,889	94	4	49.8	9.3
1981	82,617.6	1,126	2,395	113	12	73.4	9.0
1982	53,754.5	930	2,346	116	6	57.8	10.5
1983	73,080.5	1,077	2,533	138	11	67.9	16.5
1984	122,223.7	1,084	2,543	200	18	112.8	20.1
1985	179,767.5	1,320	3,001	270	36	136.2	21.1
1986	173,136.9	1,468	3,336	346	27	117.9	24.9
1987	163,686.3	972	2,032	301	36	168.4	51.3
Total	1,166,255.9	25,554	63,137	1,980	157		

*Base: The number of transactions which disclosed a purchase price.
**Total: Net merger-acquisition announcements.

Source: W. T. Grimm & Co.

Figure 5.

Figure 6 provides the number of transactions within each of six purchase-price ranges along with the respective percentages of all transactions disclosing a purchase price.

NUMBER OF NET MERGER-ACQUISITION ANNOUNCEMENTS BY PURCHASE-PRICE DISTRIBUTION 1976-1987

	$0.5-5.0MM	$5.1-25.0MM	$25.1-99.9MM	$100.0-499.9MM	$500.0-999.9MM	Over 999.9MM	Base*
1976	498 (50%)	344 (34%)	117 (12%)	35 (4%)	3 (-)	1 (-)	998
1977	451 (44%)	377 (36%)	163 (16%)	39 (4%)	2 (-)	—	1,032
1978	417 (39%)	404 (38%)	170 (16%)	76 (7%)	3 (-)	1 (-)	1,071
1979	387 (36%)	393 (38%)	184 (18%)	69 (7%)	11 (1%)	3 (-)	1,047
1980	306 (35%)	324 (36%)	166 (19%)	80 (9%)	10 (1%)	4 (-)	890
1981	388 (35%)	433 (38%)	192 (17%)	88 (8%)	15 (1%)	12 (1%)	1,126
1982	296 (32%)	338 (36%)	180 (20%)	96 (10%)	14 (2%)	6 (-)	930
1983	321 (30%)	380 (35%)	238 (22%)	104 (10%)	23 (2%)	11 (1%)	1,077
1984	270 (25%)	361 (33%)	253 (23%)	166 (15%)	16 (2%)	18 (2%)	1,084
1985	296 (23%)	454 (34%)	300 (23%)	204 (15%)	30 (2%)	36 (3%)	1,320
1986	219 (15%)	519 (35%)	384 (26%)	260 (18%)	59 (4%)	27 (2%)	1,468
1987	92 (10%)	294 (30%)	285 (29%)	218 (22%)	47 (5%)	36 (4%)	972

*Base: Number of transactions disclosing a purchase price.

Source: W. T. Grimm & Co.

Figure 6.

Historical Note

A striking characteristic of merger activity within the last ten years has been the number of sizable transactions. The number of $100-million-plus acquisitions grew more than 23 times from 1974 to 1986. Unlike the 1960s' conglomerate builders whose growth plans emphasized acquisitions of small and medium sized firms operating in a variety of unrelated businesses, many of the merger participants in the last decade were large, well established concerns acquiring financially healthy and well-managed companies enjoying strong market positions. The acquired companies, in most cases, ranked first or second within their industries.

This long-term increase in large-scale consolidations reflected a widespread corporate management response to the rapidly changing economic environment of the last ten years. Given high inflation rates, the high cost of capital and the low marketplace valuation of assets, merger and acquisition strategies became primary management tools for overcoming declining growth rates. Merger and acquisition plans were, in turn, strongly supported by the development and application of new strategic planning and control methods. Acquisitions enabled acquirers in mature slow-growing industries to add new sources of earnings, resulting in newer and larger conglomerates or multicompanies.

Hence, with well-established companies participating, strategies emphasizing growth through acquisition became admissible courses of action. Corporate takeovers were no longer regarded as the high-flying schemes of 1960s' conglomerates, but as viable components of corporate planning. The respectability was reinforced by the tremendous growth in merger-acquisition departments of not only investment banks, but of law firms, accounting and management consulting firms, and commercial banks.

COMPOSITION OF NET ACQUISITION ANNOUNCEMENTS
(Millions of Dollars)

TOTAL DOLLAR VALUE PAID
1983-1987

	Total Dollar Value [Base]*				
	1983	1984	1985	1986	1987
Divestitures	$24,173.9[376]	$ 29,379.0[401]	$ 45,825.6[525]	$ 59,926.9[543]	$ 58,290.6[388]
Publicly Traded Sellers	39,471.4[181]	82,731.0[204]	116,675.5[321]	89,866.2[352]	85,924.9[267]
Privately Owned Sellers	8,079.4[500]	8,734.8[445]	16,851.6[453]	22,025.4[548]	11,857.5[296]
Foreign Sellers	1,355.8[20]	1,378.9[34]	414.8[21]	1,318.4[25]	7,613.3[21]
All Transactions	$73,080.5[1,077]	$122,223.7[1,084]	$179,767.5[1,320]	$173,136.9[1,468]	$163,686.3[972]

AVERAGE & MEDIAN PURCHASE PRICE

	Average Purchase Price					Median Purchase Price				
	1983	1984	1985	1986	1987	1983	1984	1985	1986	1987
Divestitures	$ 64.3	$ 73.3	$ 87.3	$110.4	$150.2	$14.2	$24.6	$23.4	$32.7	$50.1
Publicly Traded Sellers	218.1	405.5	363.4	254.6	321.8	70.8	90.6	67.7	81.2	94.2
Privately Owned Sellers	16.2	19.6	37.2	40.2	40.1	7.3	7.6	8.7	17.7	14.6
Foreign Sellers	67.8	40.6	19.8	52.7	362.5	9.0	4.9	9.5	19.6	20.1
All Transactions	67.9	112.8	136.2	117.9	168.4	16.5	20.1	21.1	24.9	51.3

*Base: Number of transactions disclosing a purchase price.

Source: W. T. Grimm & Co.

Figure 7.

As indicated in Figure 7, the total dollar value of announced transactions in 1987 decreased in every category except foreign sellers. Nonetheless, the average and median values jumped to new record levels in every category except acquisitions of privately owned sellers.

The only gain in total dollar value occurred in the category of announced acquisitions of foreign companies, which exploded to $7.6 billion in 1987, a 477% increase in actual dollars over 1986, largely on the strength of two multi-billion-dollar deals: Amoco's purchase of Dome Petroleum and JMB Realty's acquisition of Cadillac Fairview. The 21 acquisitions of foreign companies in which a purchase price was disclosed averaged $362.5 million in 1987, and had a median purchase price of $20.1 million. (Additional information on foreign sellers begins on page 55.)

The effect of sizeable deals on the dollar total in each category is evident in Figure 8, which shows the number of $100-million-plus announced deals and the dollar value for each category of transaction.

$100-Million Transaction Trends

Three categories of transactions showed a decrease in the number of $100-million transactions from their 1986 levels, while the number of foreign sellers remained stable. Corresponding drops appeared in the total dollar value of $100-million transactions in each category except foreign sellers, which increased to 10 times the total of 1986, despite the same number of deals reported for the category.

As noted earlier, the 36 billion-dollar transactions of 1987 matched the record number set in 1985.

COMPOSITION OF W.T. GRIMM & CO. 100-MILLION-DOLLAR CLUB
1984-1987
(Millions of Dollars)

Transaction Type	Dollar Value (Base*) 1984		1985		1986		1987	
Divestitures	$ 22,033.3	(83)	$ 36,309.1	(120)	$ 49,851.7	(146)	$ 49,608.5	(137)
Publicly Traded Sellers	78,612.6	(95)	111,221.0	(134)	82,122.3	(150)	80,178.9	(128)
Privately Owned Sellers	3,447.5	(19)	10,486.9	(15)	11,681.0	(45)	6,751.3	(31)
Foreign Sellers	674.7	(3)	116.3	(1)	725.3	(5)	7,235.4	(5)
Totals	$104,768.1	(200)	$158,133.3	(270)	$144,380.3	(346)	$143,774.1	(301)

*Number of reported transactions of more than $100 million in each category.

Source: W. T. Grimm & Co.

Figure 8.

Divestitures
The dollar total of divestitures valued at $100 million or more slipped less than 1% from 1986 levels to $49.6 billion, even though nine fewer transactions were reported in that category. While the number of $100 million divestitures accounted for nearly 17% of total 1987 divestitures, the value of $100-million divestitures was 85% of all divestitures reporting purchase price. There were 11 billion-dollar-plus divestitures in 1987, compared with eight in 1986 and six in 1985. The largest divestiture was CBS Inc.'s sale of CBS Records to Sony Corp. for $2 billion.

Publicly Traded Sellers
The dollar total for acquisitions of $100-million-plus acquisitions of publicly traded companies dipped to $80.2 billion, 2.3% below 1986 levels. Those transactions accounted for 93% of all purchases of public companies, totalling $85.9 billion. There were 22 $1-billion-plus acquisitions of public concerns, compared with 18 in 1986 and 28 in 1985. The year's largest acquisition of a publicly traded company was British Petroleum's purchase of the remaining 45% of Standard Oil Co. of Ohio, a nearly $7.8-billion deal that ranks as the fourth-highest acquisition in history.

Privately Owned Sellers
The 31 $100-million-plus acquisitions of privately owned businesses in 1987 totalled almost $6.8 billion, an estimated 42% decline from 1986 figures. The $6.8 billion accounted for 57% of the total $11.9 billion in acquisitions of private firms in 1987. The acquisition of SCI Holdings by a private investment group led by Tele-Communications Inc. was the largest purchase of a privately held company in 1987. It also was the only billion-dollar-plus acquisition of a private firm in 1987.

Foreign Sellers
An enormous ten-fold leap in the value of $100-million-plus purchases of foreign companies brought the total for 1987 to $7.2 billion. Two deals — Amoco's $4.2-billion purchase of Dome Petroleum and JMB Realty's $1.9-billion acquisition of Cadillac Fairview — were responsible for the tremendous increases in the category, which had no billion-dollar deals in 1986. The two billion-dollar acquisitions, in fact, represented 85% of all acquisitions of foreign sellers in 1987.

The 1980s have witnessed all but five of the 100 largest-ever deals.

TOP 100 DEALS IN HISTORY
The years in which the top 100 transactions occurred and the number of transactions in each year are as follows:

1970 — 1	1982 — 5
1975 — 1	1983 — 6
1976 — 1	1984 — 11
1979 — 2	1985 — 24
1980 — 4	1986 — 13
1981 — 10	1987 — 22

The 1987 100-Million-Dollar Club, a list of 301 transactions, begins on page 13. Of those 301 transactions, 22 rank among the 100 largest deals in history. A listing of the 100 largest deals in history begins on page 31.

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THE W.T. GRIMM & CO. 100-MILLION-DOLLAR CLUB
(Completed/Pending Transactions)
1987

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
	1. **British Petroleum Co. - U.K.** [oil and gas]	**Standard Oil Co. - Rem. 45%** [oil and gas]	$ 7,762.2	(2)
	2. **Amoco Corp.** [oil and gas]	**Dome Petroleum Ltd. - Canada** [oil and gas]	4,180.0	(4)
	3. **Private Group** [backed by Merrill Lynch Capital Partners]	**Borg-Warner Corp.** [plastics, automotive parts, chemicals, ventilation]	3,798.6	(2)
	4. **Private Group** [execs John Thompson and Jere Thompson]	**Southland Corp.** [convenience stores]	3,723.3	(2)
1	5. **Campeau Corp. - Canada** [real estate]	**Allied Stores Corp.** [department stores]	3,249.8	(2)
*	6. **Private Group** [led by Morgan Stanley Group Inc.]	**Burlington Industries Inc.** [textiles]	2,128.6	(2)
	7. **Sony Corp. - Japan** [electronics]	**CBS Inc.** (CBS Records) [record company]	2,000.0	(1)
#	8. **Hartford National Corp.** [bank holding co.]	**Shawmut Corp.** [multi-bank holding co.]	2,000.0	(2)
	9. **JMB Realty Corp.** [real estate]	**Cadillac Fairview Corp. - Canada** [real estate development]	1,924.4	(4)
*	10. **Kohlberg Kravis Roberts & Co.** [investment banking co.]	**Jim Walter Corp.** [home construction, building materials]	1,908.7	(2)
	11. **PacifiCorp** [electricity, mining and telecommunications]	**Utah Power & Light Co.** [electric co.]	1,900.0	(2)
*	12. **Private Group** [led by Merrill Lynch & Co.]	**Supermarkets General Corp.** [nation's 8th-largest food retailer]	1,801.2	(2)
	13. **Shearson Lehman Brothers Inc.** [holding co. - financial services]	**Standard Oil Co.** (Industrial Holdings Corp.) [industrial metal products]	1,800.0	(1)
	14. **Private Group** [led by Tele-Communications Inc.]	**SCI Holdings Inc.** [nation's 4th-largest cable operator]	1,700.0	(3)

[1]Campeau Corp. acquired 52% of Allied's stock on the open market in 1986, and eventually acquired the remaining 48%. It is being included as an acquisition for the first time in the 1987 Mergerstat Review.

The transaction type is indicated for each deal by one of four codes appearing to the right of the purchase price: (1) denotes a divestiture, (2) an acquisition of a publicly traded company, (3) an acquisition of a privately owned company, and (4) an acquisition of a foreign based company.

#Statutory Merger—Companies consolidate to form new entity; there is no buyer and no seller, both companies receive stock in new merged entity; value determined by combining the respective market values of participants.

*Leveraged Buyout—deals which were publicly announced to be leveraged.

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
15.	**Montedison SpA - Italy** [chemical, energy and pharmaceuticals]	**Hercules Inc.** (38.5% interest in Himont Inc.) [world's largest polypropylene manufacturer]	$ 1,490.0	(1)
16.	**Private Group** [led by Carl Lindner]	**Taft Broadcasting Co.** [TV/radio broadcasting, cable TV]	1,446.1	(2)
17.	**Private Group** [led by Robert M. Bass and Aioki Corp.]	**Allegis Corp.** (Westin Hotels & Resorts) [hotels]	1,350.0	(1)
18.	**Blue Arrow PLC - U.K.** [employment services]	**Manpower Inc.** [employment services]	1,330.8	(2)
19.	**USAir Group Inc.** [holding co. - air carrier]	**Piedmont Aviation Inc.** [air carrier]	1,317.1	(2)
20.	**Hanson Trust PLC - U.K.** [industrial management]	**Kidde Inc.** [security products, consumer and industrial goods]	1,308.3	(2)
21.	**Private Group** [Ford Motor Co. and Hertz management]	**Allegis Corp.** (Hertz Corp.) [car rental]	1,300.0	(1)
# 22.	**Fleet Financial Group** [Rhode Island bank holding co.]	**Norstar Bancorp Inc.** [New York multi-bank holding co.]	1,300.0	(2)
23.	**Kansas City Southern Industries Inc.** [rail transport, financial services]	**Santa Fe Southern Pacific Corp.** (Southern Pacific Railroad) [holding co. - rail and trucking]	1,250.0	(1)
24.	**Grand Metropolitan PLC - U.K.** [entertainment, hotels, food, liquor]	**RJR Nabisco Inc.** (Heublein unit) [2nd-largest producer of wine and spirits]	1,200.0	(1)
25.	**Hughes Tool Co.** [oil-drilling equipment]	**Baker International Corp.** [oil-drilling equipment]	1,200.0	(2)
26.	**Chrysler Corp.** [3rd largest auto manufacturer]	**American Motors Corp.** [auto manufacturer]	1,180.0	(2)
27.	**Security Pacific Corp.** [bank holding co.]	**Rainier Bancorporation** [Washington bank holding co.]	1,158.3	(2)
28.	**Great Northern Nekoosa** [forest products]	**Owens-Illinois Inc.** (Forest Products Group) [forest products]	1,150.0	(1)
29.	**Bank of New York Inc.** [bank holding co.]	**Irving Bank Corp.** [New York bank holding co.]	1,099.5	(2)
30.	**Bond Corp. Holding Ltd. - Australia** [brewer]	**G. Heileman Brewing Co.** [brewer]	1,083.6	(2)
31.	**Ladbroke Group PLC - U.K.** [hotel operator]	**Allegis Corp.** (Hilton International Co.) [hotels]	1,070.0	(1)
32.	**Private Group** [led by Paul Bilzerian]	**Singer Co.** [defense electronics]	1,050.1	(2)
33.	**Argyll Group PLC - U.K.** [supermarkets]	**Safeway Stores Inc.** (U.K. unit) [120-store supermarket chain]	1,040.0	(1)
34.	**Anschutz Corp.** [oil and gas]	**Santa Fe Southern Pacific Corp.** (Southern Pacific Railroad) [holding co. - rail and trucking]	1,020.0	(1)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
* 35.	**Private Group** [chairman and senior management]	**Charter Medical Corp.** [hospital care]	$ 1,018.7	(2)
36.	**Shearson Lehman Brothers Inc.** [financial services]	**E.F. Hutton Group Inc.** [investment banking and brokerage]	1,008.1	(2)
* 37.	**TLC Group L.P.** [investment co.]	**Beatrice Co.** (international food business) [food products]	985.0	(1)
38.	**Memorex International N.V. - U.K.** [computer equipment]	**Telex Corp.** [telecommunication and telephone equipment]	909.9	(2)
39.	**CJI Industries Inc.** [coin sorters]	**Triangle Industries Inc.** [packaging products, coin-operated machines]	856.0	(2)
40.	**Private Group** [investor Ronald O. Perelman]	**Revlon Group, Inc.** [supermarkets, drug stores, cosmetics]	841.7	(2)
41.	**Transamerica Corp.** [diversified financial services]	**Borg-Warner Corp.** (BWAC Inc.) [commercial-financing unit]	782.5	(1)
42.	**Computer Associates International** [computer software]	**Uccel Corp.** [computer software]	770.1	(2)
43.	**PNC Financial Corp.** [Pennsylvania multi-bank holding co.]	**Central Bancorporation Inc.** [Ohio multi-bank holding co.]	765.8	(2)
44.	**Private Group** [led by management and Telecomm Inc.]	**Heritage Communications** [10th-largest cable co.]	761.2	(2)
45.	**Private Group** [led by Jack Cooke]	**McCaw Communications** (Cable TV Systems) [cable co.]	755.0	(1)
46.	**Hongkong & Shanghai Banking Corp.** [commercial and merchant banking]	**Marine Midland Banks Inc. - Rem. 48%** [bank holding co.]	750.6	(2)
47.	**Primerica Corp.** [packaging]	**Smith Barney, Harris Upham & Co.** [holding co.]	750.0	(2)
48.	**Private Group** [employee stock ownership trust]	**Wesray Capital Corp.** (Avis Inc.) [nation's No. 2 car rental co.]	750.0	(1)
49.	**Owens-Illinois Inc.** [glass containers, forest and packaging products]	**Brockway Inc.** [glass and plastic containers]	749.6	(2)
50.	**American Home Products Corp.** [medical and household products]	**A.H. Robins Co.** [healthcare and consumer products]	700.0	(2)
51.	**Faberge Inc.** [cosmetics]	**Eli Lilly & Co.** (Elizabeth Arden unit) [cosmetics]	700.0	(1)
# 52.	**Vons Co.** [190 supermarkets and drugstore]	**Allied Supermarkets** [23 supermarkets and drugstores]	700.0	(2)
53.	**Exxon Corp.** [oil and gas]	**CSR Ltd. - Australia** (25% of Delhi Petroleum Pty. Ltd.) [oil and gas]	690.0	(1)
54.	**Hawley Group Ltd. - U.K.** [security, cleaning, misc. services]	**ADT Inc.** [electronic security systems]	686.6	(2)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller
(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
55.	**N.V. Philips Gloeilampen - Fabrieken - Netherlands** [electronics, electrical appliances]	**North American Philips - Rem. 42%** [consumer electronics]	$ 675.9	(2)
56.	**Sovran Financial Corp.** [bank holding co.]	**Commerce Union Corp.** [bank holding co.]	663.5	(2)
57.	**Exxon Corp.** [world's leading oil co.]	**Goodyear Tire & Rubber Co.** (Celeron Oil & Gas Co.) [oil and gas]	650.0	(1)
58.	**Continental A.G. - W. Germany** [tires]	**GenCorp Inc.** (General Tire) [tires]	650.0	(1)
* 59.	**Private Group** [management group led by President Peter G. Diamandis]	**CBS Inc.** (magazine div.) [publishing]	650.0	(1)
60.	**Loral Corp.** [defense electronics]	**Goodyear Tire & Rubber Co.** (Goodyear Aerospace Corp.) [electronic military equipment]	640.0	(1)
61.	**National Westminster Bank - U.K.** [international banking]	**First Jersey National Corp.** [multi-bank holding co.]	629.9	(2)
62.	**Westmark Systems Co.** [investment organization]	**Tracor Inc.** [electronic and automated instruments and components]	627.4	(2)
63.	**American Brands Inc.** [diversified tobacco and food co.]	**Acco World Corp.** [office supplies]	600.7	(2)
64.	**Wesray Capital Corp.** [investment organization]	**Bally Manufacturing Corp.** (Six Flaggs) [theme park]	600.0	(1)
65.	**Sara Lee Corp.** [food and consumer products]	**Akzo N.V. - Netherlands** (food and consumer products div.) [food and consumer products]	600.0	(1)
66.	**Ferruzzi Group - Italy** [agricultural co.]	**CPC International Inc.** (European corn wet-milling div.) [international food products]	600.0	(1)
67.	**Gillett Holdings Inc.** [broadcasting, publishing and real estate]	**SCI Holdings Inc.** (6 TV stations) [broadcasting services]	600.0	(1)
68.	**Private Group** [led by Robert M. Bass and management]	**Bell & Howell Co.** [publishing and information services]	600.0	(2)
69.	**Tonka Corp.** [toys]	**Kenner Parker Toys Inc.** [toys]	590.8	(2)
70.	**Pilkington PLC - U.K.** [world's largest producer of glass products]	**Revlon Group Inc.** (Barnes-Hind Inc. and Coburn Optical Industries Inc.) [optical equipment and products]	574.0	(1)
71.	**Arkla Inc.** [natural-gas distribution]	**Entex Inc.** [natural-gas distribution]	563.5	(2)
72.	**American Brands Inc.** [diversified tobacco co.]	**National Distillers & Chemical Corp.** (spirits div.) [beverages]	545.0	(1)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
73.	**Nippon Life Insurance Co. - Japan** [life insurance]	**American Express Co.** (13% of Shearson Lehman Bros. Inc.) [securities firm]	$ 538.0	(1)
74.	**WPP Group PLC - U.K.** [international marketing services]	**JWT Group Inc.** [advertising agency holding co.]	536.0	(2)
75.	**Banner Industries Inc.** [industrial equipment, aviation aftermarket]	**Rexnord Inc. - Rem. 80%** [industrial parts and machinery]	526.2	(2)
76.	**Thorn EMI PLC - U.K.** [entertainment equipment]	**Rent-A-Center Inc.** [household durables rental]	521.3	(2)
77.	**Cain Chemical Inc.** [chemicals]	**E. I. duPont de Nemours & Co.** (polyethylene div.) [plastics]	517.0	(1)
78.	**St. Paul Cos.** [life insurance]	**Minet Holdings PLC - Rem. 74% - U.K.** [insurance broker]	515.0	(4)
* 79.	**Private Group** [led by Gibbons Green Van Amerongen and company management]	**CNW Corp.** [transportation holding co.]	504.1	(2)
80.	**Ford Motor Co.** [vehicles]	**U. S. Leasing International Inc.** [financial services]	502.2	(2)
81.	**LaSalle Energy Corp.** [private company formed by Roy Bettis, Frank S. McGee Jr. and Robert H. Stewart III]	**Occidental Petroleum Corp.** (United Gas Pipeline Co.) [natural gas, gasoline, liquid hydrocarbons]	500.0	(1)
82.	**Private Group** [investor group led by Clayton & Dubilier Inc.]	**B.F. Goodrich Co.** (50% of Uniroyal Goodrich Tire Co.) [tires]	500.0	(1)
83.	**Baxter Travenol Laboratories** [healthcare products and services]	**Caremark Inc.** [home healthcare services]	489.1	(2)
84.	**Guiness PLC - U.K.** [liquor and beer]	**Rapid-American Corp.** (Schenley Industries) [alcoholic beverages]	480.0	(1)
85.	**Lanesborough Corp.** [specialty chemical products]	**Allied-Signal Inc.** (Ampex Corp.) [audio-visual equipment and tape]	479.0	(1)
86.	**Dow Jones & Co.** [publishing and broadcasting]	**Telerate Inc. - Add'l 24%** [computerized financial data]	476.5	(2)
87.	**Valor PLC - U.K.** [household products]	**First City Industries Inc.** (Nutone & Yale Security) [home systems, fixtures and locks]	470.0	(1)
88.	**Dainippon Ink & Chemicals Inc. - Japan** [chemicals]	**Reichhold Chemicals Inc.** [adhesives and polymers]	447.1	(2)
89.	**Continental Cablevision Inc.** [cable TV systems]	**American Cablesystems Corp.** [cable TV systems]	437.0	(2)
90.	**Private Group** [led by Hicks & Haas]	**Spectradyne Inc.** [cable TV services]	434.5	(2)
91.	**Prime Computer Inc.** [computer manufacturer]	**Computervision Corp.** [computerized design equipment]	434.4	(2)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
92.	**Private Group** [LPL investment group]	**Allied-Signal Inc.** (Amphenol Products Div.) [electronics]	$ 430.0	(1)
93.	**Union Pacific Corp.** [energy, natural resources, railroad]	**Uspci Inc.** [hazardous-waste management]	415.0	(2)
94.	**First Interstate Bancorp** [California multi-bank holding co.]	**Allied Bancshares Inc.** [Texas bank holding co.]	414.5	(2)
95.	**M.A. Hanna Co.** [oil, gas, natural resources]	**Day International Corp.** [industrial, plastic, automotive products]	408.6	(2)
96.	**Vons Co.** [supermarket chain]	**Safeway Stores Inc.** (Southern California Safeway Stores) [supermarket chain]	408.0	(1)
97.	**Hearst Corp.** [9th-largest newspaper chain]	**Houston Chronicle Publishing** [newspaper publishing]	400.0	(3)
98.	**Household International Inc.** [financial services, household goods]	**Textron Inc.** (Credit Card div.) [financial services]	400.0	(1)
99.	**Procter & Gamble Co.** [household, personal-care and food products]	**Blendax-Group of Cos. - W. Germany** [personal-care products]	400.0	(4)
100.	**British Printing & Communication Corp. - U.K.** [printing]	**Parade Publications Inc.** (printing unit) [publishing]	400.0	(1)
101.	**Private Group** [led by Bennett S. LeBow]	**ITT Corp** (ITT World Communications Inc.) [international data communications]	400.0	(1)
102.	**Stone Container Corp.** [paper products, packaging]	**Southwest Forest Industries Inc.** [paper and forest products]	395.9	(2)
103.	**IC Industries Inc.** [railroad, bottling, motors, aerospace]	**GenCorp Inc.** (Pepsi-bottling franchises) [beverages]	395.5	(1)
104.	**Broken Hill Proprietary Co. - Australia** [oil and gas exploration]	**Hamilton Oil Corp. of the U.S. - 49.9%** [oil and gas]	394.2	(1)
105.	**Banc One Corp.** [bank holding co.]	**Marine Corp.** [bank holding co.]	393.0	(2)
106.	**Medco Containment Services Inc.** [mail-service prescription drugs]	**Porex Technologies Inc.** [plastic products]	378.4	(2)
107.	**Advanced Micro Devices Inc.** [semiconductor products]	**Monolithic Memories Inc.** [semiconductor products]	375.7	(2)
108.	**Ecolab Inc.** [industrial and consumer cleaning products]	**Chemlawn Corp.** [lawn and landscape care]	366.3	(2)
109.	**Dixons Group PLC - U.K.** [British retail stores]	**Cyclops Corp.** [steel, construction, retailing]	366.2	(2)
110.	**Gillett Communications Co.** [broadcasting, publishing and real estate]	**Oklahoma Publishing Co.** (WTVT) [broadcasting]	365.0	(1)
111.	**Chrysler Corp.** [autos, vehicles]	**Electrospace Systems Inc.** [high-tech electronic systems]	363.3	(2)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller
(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
* 112.	**Kohlberg Kravis Roberts & Co.** [investment co.]	**Seaman Furniture Co.** [furniture retailer]	$ 354.0	(2)
113.	**Smiths Industries PLC - U.K.** [aerospace control and management systems]	**Lear Siegler Inc.** (Lear Siegler instruments, Avionic Systems Corp. and international business) [electronics for aerospace, agriculture and industry]	350.0	(1)
* 114.	**Private Group** [led by Morgan Lewis Githers + AHN Inc]	**Allegheny Beverage Corp.** (Service America Corp.) [vending-machine operator]	345.0	(1)
115.	**Private Group** [led by company chairman]	**Harcourt Brace Jovanovich Inc.** (HBJ Publications Inc. and HBJ Beckley-Cardy Inc.) [magazines and school supplies]	334.1	(1)
116.	**Greyhound Corp.** [transportation]	**Carson Pirie Scott & Co.** (Dobbs House airport restaurants) [airport concession operations]	326.0	(1)
117.	**Walt Disney Co.** [entertainment]	**GenCorp Inc.** (KHJ-TV) [independent California TV station]	320.0	(1)
* 118.	**Private Group** [led by Hicks & Haas and Donaldson Lufkin & Jenrette]	**Maxxam Group Inc.** (Palco Industries Inc.) [metal-cutting tools]	320.0	(1)
119.	**Pacific Telesis Group** [regional telephone co.]	**Cellular One** (five mobile phone systems in Michigan) [mobile telephone systems]	316.0	(1)
120.	**Welsh, Carson, Anderson & Stowe** [a partnership controlled by an investment co.]	**Comdata Network Inc.** [commercial fund transfer]	313.4	(2)
* 121.	**Private Group** [includes senior management]	**Interstate Bakeries Corp.** [baked goods]	307.6	(2)
122.	**Emery Air Freight Corp.** [air-cargo transportation]	**Purolator Courier Corp.** [air courier]	305.7	(2)
123.	**International Paper Co.** [world's largest paper manufacturer]	**Anitec Image Technology Corp.** [photographic film, papers, chemicals]	303.2	(2)
124.	**Yasuda Mutual Life Insurance Co. - Japan** [insurance]	**PaineWebber Group Inc. - 18%** [securities firm]	300.0	(1)
125.	**First Capital Holdings Corp.** [financial services]	**E.F. Hutton Group Inc.** (E.F. Hutton Insurance Group Inc.) [designs insurance products]	300.0	(1)
126.	**Unisys Corp.** [computers and office equipment]	**Timeplex Inc.** [communications network supplier]	300.0	(2)
127.	**Itel Corp.** [transportation]	**Evans Products Co.** (Evans Transportation Co.) [railcar manufacture and leasing]	300.0	(1)
128.	**General Electric Co. PLC - U.K.** [electronic systems and ectrical equipment]	**Reliance Corp.** (Gilbarco) [gas pumps]	300.0	(1)
129.	**Kraft Inc.** [diversified food co.]	**All American Gourmet Co.** [frozen-foods marketer]	295.2	(2)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
130.	**UGI Corp.** [utility co.]	**Dillingham Corp.** (Cal Gas Corp.) [nation's 4th-largest retail propane marketer]	$ 295.0	(1)
131.	**Gulf & Western Inc.** [financial services, entertainment]	**Fruehauf Corp.** (Fruehauf Finance Co.) [finances & leases trucks]	290.0	(1)
132.	**Cablevision Systems Corp.** [cable TV]	**Adams-Russell Co.** [cable TV]	287.3	(2)
133.	**News Corp. Ltd. - Australia** [newspaper publishing and TV broadcasting]	**Harper & Row Publishers Inc.** [publishing]	283.9	(2)
134.	**R.R. Donnelley & Sons Co.** [printing]	**Metromail Corp.** [direct-mail marketing services]	282.7	(2)
* 135.	**Private Group** [led by Allen & Co.]	**Research-Cottrell Inc.** [air pollution control equipment, engineering services]	281.7	(2)
136.	**Private Group** [led by company president]	**Becor Western Inc.** [energy aerospace, industrial & mining products]	280.0	(2)
137.	**Celtic Group Inc.** [life insurance]	**Great Western Financial Corp.** (John Alden Life Insurance Co.) [life insurance]	280.0	(1)
138.	**Ciba-Geigy Ltd. - Switzerland** [pharmaceuticals, industrial chemicals]	**Spectra-Physics Inc.** [lasers and laser products]	276.3	(2)
139.	**Boeing Co.** [aircraft]	**ARGO Systems Inc.** [radar and military communications systems]	275.0	(3)
140.	**Conseco Inc.** [insurance]	**Beneficial Corp.** (Western National Life Insurance Co.) [insurance]	275.0	(1)
141.	**United Jersey Banks** [multi-bank holding co.]	**First Valley Corp.** [Pennsylvania bank holding co.]	274.9	(2)
142.	**General Electric Co.** [electrical products, finance and broadcasting]	**Wometco Broadcasting Co.** (WTVS-TV) [CBS-affiliated Florida TV station]	270.0	(1)
143.	**Engelhard Corp.** [specialty chemicals]	**Kaisertech Ltd.** (Harshaw/Filtrol Partnership) [specialty chemicals]	264.0	(1)
144.	**J. Sainsbury PLC - U.K.** [supermarket operator]	**Shaw's Supermarkets Inc. - Rem. 71.5%** [supermarket chain]	260.3	(3)
145.	**Private Group** [led by Dan K. Bannister]	**Dyncorp** [military data and technical services]	257.3	(2)
146.	**Dillard Department Stores Inc.** [117 department stores]	**Allied Stores Corp.** (Joske's and Cain-Sloan divs.) [department stores]	255.0	(1)
147.	**Private Group** [led by chairman and founder Charles Schwab]	**BankAmerica Corp.** (Charles R. Schwab & Co.) [discount brokerage]	250.0	(1)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller
(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
148.	**Rosenkranz & Co.** [investment company]	**Dresser Industries Inc.** (Reliance Standard Life Insurance Co.) [insurance]	$ 250.0	(1)
149.	**Freeport-McMoran Resource Partners** [sulpher mining and processing]	**The Williams Cos.** (Agrico Chemical Co.) [chemical fertilizers]	250.0	(1)
150.	**General Electric Co.** [electrical products, finance and broadcasting]	**Geico Corp.** [vehicle leasing and management]	248.5	(2)
151.	**First Chicago Corp.** [bank holding co.]	**Beneficial Corp.** (Beneficial National Bank USA) [bank, credit card business]	247.0	(1)
152.	**Southern Co.** [utility holding co.]	**Savannah Electric & Power Co.** [electric utility]	242.7	(2)
153.	**Joh. A. Benckiser GmbH - W. Germany** [consumer products and chemicals]	**Ecolab Inc.** (consumer businesses) [consumer chemical products]	242.5	(1)
154.	**National Education Corp.** [vocational training]	**Advanced Systems Inc.** [multi-media training courses]	241.8	(2)
155.	**Consolidated Gold Fields PLC - U.K.** [mining and construction investments]	**American Aggregates Corp.** [mining and construction-materials processing]	241.8	(2)
156.	**Carlyle Group** [banking and investment co.]	**Chi-Chi's Inc.** [Mexican restaurant chain]	240.2	(2)
* 157.	**Private Group** [led by Clayton & Dubilier and management]	**Borg-Warner Corp.** (industrial-products div.) [mechanical equipment]	240.0	(1)
158.	**Private Group** [led by management]	**Owens-Corning Fiberglas Corp.** (Ladish Co.) [forgings, pipe fittings, pumps]	236.0	(1)
159.	**Kraft Inc.** [diversified foods co.]	**Quaker Oats Co.** (Seven Seas, Chiffon, Avoset brands) [salad dressings, margarine and dairy products]	235.0	(1)
160.	**Private Group** [managers of Sonat Marine]	**Sonat Inc.** (Sonat Marine Inc.) [tug and barge co.]	234.0	(1)
161.	**Private Group** [led by Asher B. Edelman]	**Morse Shoe Inc.** [shoes, footwear outlets]	233.3	(2)
162.	**Home Group Inc.** [insurance holding co.]	**Carteret Savings Bank F.A.** [New Jersey thrift]	232.1	(2)
163.	**Bowater Industries PLC - U.K.** [diversified international holding co.]	**Rexham Corp.** [packaging materials and machinery]	229.1	(2)
164.	**U.S. Cable TV Group L.P.** [cable TV entrepreneurs I.M. Pompadur, E.H. Rule and C.J. Conley]	**Essex Communications Corp.** [cable TV co.]	225.0	(3)
165.	**Itel Corp.** [container leasing]	**Castle & Cooke Inc.** (container leasing business of Flexi-Van Leasing Inc.) [container leasing]	222.1	(1)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
166.	**Glenfed Inc.** [bank holding co.]	**Guarantee Financial Corp. of California** [S&L holding co.]	$ 219.8	(2)
167.	**T W Services Inc.** [food and vending services]	**Denny's Inc.** [restaurant chain]	218.0	(2)
168.	**3Com Corp.** [computer communications systems]	**Bridge Communications Inc.** [computer communications networks]	217.8	(2)
169.	**Trans Resources Inc.** [chemicals and fertilizers]	**Fermenta AB - Sweden** [biotechnology group]	216.0	(4)
170.	**Georgia-Pacific Corp.** [lumber and building materials]	**U.S. Plywood Corp.** [industrial wood products]	215.0	(3)
171.	**Private Group** [Rosewood Corp., includes senior management]	**Pay N Pak Stores Inc.** [home-improvement retailer]	212.6	(2)
172.	**Pearson Inc. PLC - U.K.** [information, entertainment, oil and gas services]	**Camco Inc.** [oil recovery equipment]	212.3	(2)
173.	**Pentane Partners L.P.** [oil and gas]	**Tesoro Petroleum Corp.** [oil and gas]	206.1	(2)
174.	**BTR PLC - U.K.** [industrial and engineering products]	**Stewart-Warner Corp.** [industrial materials and equipment]	206.0	(2)
175.	**Dominion Textile Inc. - Canada** [textiles and related products]	**Burlington Industries Inc.** (Burlington denim operations) [textiles]	205.0	(1)
176.	**General Electric Co. PLC - U.K.** [electrical and electronic products]	**Lear Siegler Inc.** (Lear Siegler Astronics Corp. and Developmental Sciences Corp.) [aerospace and flight-control systems and California manufacturing facility]	205.0	(1)
177.	**Reliance Capital Group L.P.** [led by a unit of Reliance Group Holdings]	**Days Inns Corp.** [hotel and motel chains]	202.5	(2)
* 178.	**Onex Corp. - Canada** [leveraged buyouts]	**Citicorp** (CitiBank Leasing Canada Ltd.) [equipment leasing]	202.5	(1)
179.	**Ratners Group PLC - U.K.** [largest European jewelry retailer]	**Sterling Inc.** [retail jewelry]	201.2	(2)
180.	**RJR Nabisco Inc.** [diversified tabacco and food co.]	**National Distillers & Chemical Corp.** (Almaden Vineyards Inc.) [wine distillers]	200.0	(1)
181.	**Private Group** [led by E.M. Warburg Pincus & Co.]	**Computerland Corp. - 80%** [nation's largest retail computer franchiser]	200.0	(3)
182.	**First Empire State Corp.** [bank holding co.]	**East New York Savings Bank** [mutual organization]	200.0	(3)
183.	**Private Group** [Vintners International Co., led by co. president]	**Seagram Co. Ltd. - Canada** (wine operations) [wine distillers]	200.0	(1)
184.	**H.F. Ahmanson & Co.** [bank holding co.]	**Bowery Savings Bank** [New York bank]	200.0	(3)

Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
185. **Algemene Bank Nederland N.V. - Netherlands** [international bank holding co.]	**Lane Financial Inc.** [Illinois bank holding co.]	$ 200.0	(3)
186. **International Paper Co.** [world's largest paper manufacturer]	**Colgate-Palmolive Co.** (fiber products div. of Kendall Co.) [fiber products]	200.0	(1)
187. **Riordan Freeman & Spogli** [merchant-banking firm]	**Tops Markets Inc.** [supermarkets and convenience stores]	196.0	(2)
188. **Anchor Glass Container Corp.** [glass products]	**Diamond-Bathurst** [glass containers]	191.1	(2)
189. **Sequa Corp.** [specialty chemicals, graphics equipment]	**Atlantic Research Corp. - Rem. 81.5%** [rocket motors, electromagnetic devices]	190.9	(2)
190. **Calvin Klein Industries Inc.** [apparel]	**Minnetonka Corp. - 12.7%** [fragrances and health and beauty aids]	188.0	(1)
191. **Avon Products Inc.** [cosmetics, health and beauty aids]	**Giorgio Inc.** [fragrances]	185.0	(3)
192. **Saatchi & Saatchi PLC - U.K.** [world's largest advertising group]	**Peterson & Co.** [litigation consulting co.]	184.5	(3)
193. **First Union Corp.** [regional bank]	**Florida Commercial Banks Inc.** [bank holding co.]	181.4	(2)
194. **Reebok International Ltd.** [athletics shoes]	**Avia Group International Inc.** [athletics shoes]	180.0	(3)
195. **First Chicago Corp.** [bank holding co.]	**First United Financial Services Inc.** [Illinois bank holding co.]	175.6	(2)
196. **American Television & Communications Corp.** [cable TV and telecommunications]	**Time Inc.** (Manhattan Cable TV Inc.) [cable operations]	175.0	(1)
197. **Barnett Banks of Florida Inc.** [multi-bank holding co.]	**Home Federal Bank of Florida** [bank]	175.0	(2)
198. **Hoogovens Groep B.V. - Netherlands** [steel]	**Kaiser Aluminum & Chemical Corp.** (Kaiser Aluminum Europe Inc.) [aluminum]	175.0	(1)
199. **Private Group** [management group and unit of American General Corp.]	**Imasco Ltd. - Canada** (U.S. land development div. of Genstar Corp.) [real estate development]	175.0	(1)
200. **Coca-Cola Enterprises** [country's largest Coke bottler]	**Coca-Cola Co.** (Rainwater Coca-Cola Bottling Cos.) [soft-drink bottling]	173.0	(1)
201. **Private Group** [company formed by the Quandt family]	**Data Card Corp.** [electro-mechanical microprocessors, plastic card encoding]	172.2	(2)
202. **Dow Chemical Co.** [chemicals, plastics, pharmaceuticals]	**Lamaur Inc.** [hair-care products]	171.5	(2)
203. **Fleming Cos.** [food distribution]	**Godfrey Co.** [food distribution]	170.8	(2)
204. **Ferruzzi Group - Italy** [agricultural co.]	**Shamrock Holdings Inc.** (Central Soya Co.) [soybean processing]	170.0	(1)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
205.	**First Carolina Communications** [cable co.]	**James Communications** [cable co.]	$ 170.0	(3)
* 206.	**Private Group** [led by managements]	**Amstar Corp.** (Spreckels Sugar Co. and industrial products group) [sugar products, industrial products]	170.0	(1)
207.	**Mark IV Industries Inc.** [plastic and industrial products]	**Conrac Corp. - Rem. 90.8%** [telecommunications and information-display equipment and systems]	168.7	(2)
208.	**Private Group** [Karibu Corp., formed by Catalyst senior management]	**Catalyst Energy Development Corp.** [electric and thermo-energy plants]	168.1	(2)
209.	**Lomas & Nettleton Financial Corp.** [banking and finance]	**Farm & Home Savings Assn.** [Missouri S&L]	168.0	(2)
210.	**Times Mirror Co.** [publishing, broadcasting, cable TV]	**Diamandis Communications Inc.** (Field & Stream, Home Mechanix, Skiing & Yachting Magazines) [consumer magazines]	167.5	(1)
211.	**Imo Delaval Inc.** [analytical and optical instruments]	**Ifint-Incom Inc.** [mechanical and electronic controls]	166.0	(3)
212.	**Siemens AG - W. Germany** [electronics and scientific instruments]	**Telecom Plus International** (65% of domestic operating assets) [communications equipment and services]	165.0	(1)
213.	**Private Group** [joint venture of Edward J. DeBartolo Corp. and Dillard Department Stores Inc.]	**Brierly Investments Ltd. - New Zealand** (Higbee Co.) [14-unit department store chain]	165.0	(1)
214.	**Private Group** [div. management with Clayton & Dubilier Inc.]	**Safeway Stores Inc.** (Oklahoma div.) [106 supermarkets]	165.0	(1)
215.	**Rite Aid Corp.** [drug, auto and book stores]	**Sherwin-Williams Co.** (Gray Drug Fair Inc.) [drug stores]	165.0	(1)
216.	**Mesa Limited Partnership** [petroleum exploration and production]	**KN Energy Inc.** [exploration and production of oil and gas]	163.4	(2)
217.	**Swedish Match AB - Sweden** [world's largest manufacturer of matches]	**Allegheny International Inc.** (Wilkinson Sword) [2nd-largest manufacturer of matches, and razors]	160.0	(1)
218.	**MCI Communications Corp.** [telecommunications]	**General Electric Co.** (RCA Global Communications Inc.) [telex and data services]	160.0	(1)
219.	**European Home Products PLC - U.K.** [sewing machine distribution]	**Schering-Plough Corp.** (Scholl International div.) [footcare products]	160.0	(1)
220.	**Avon Products Inc.** [cosmetics, health and beauty aids]	**Parfums Stern** [fragrances]	160.0	(3)
221.	**Grabill Aerospace Industries Ltd.** [diversified engineering and industrial products co.]	**Fruehauf Corp.** (Aerospace businesses] [aerospace components]	157.0	(1)

\# Statutory Merger
* Leveraged Buyout

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Source: W.T. Grimm & Co.

Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
222. **Carson Pirie Scott & Co.** [department stores]	**Campeau Corp. - Canada** (Donaldson's department stores) [division of Allied Stores]	$ 155.0	(1)
223. **SmithKline Beckman Corp.** [pharmaceuticals and healthcare products]	**International Hydron Corp.** [contact lenses]	155.0	(2)
224. **Gannett Co.** [publishing, broadcasting and outdoor advertising]	**Harte-Hanks Communications** (WFMY-TV, WTLV-TV) [TV stations]	155.0	(1)
225. **Ciba-Geigy Ltd. - Switzerland** [pharmaceuticals and chemicals]	**Cooper Cos.** (Contact Lens Solution div.) [lens-care solutions]	155.0	(1)
226. **Sconnix Broadcasting Co.** [broadcasting]	**Reliance Capital Group** (8 radio stations) [broadcasting]	152.0	(1)
227. **Private Group** [led by senior management]	**Avon Products Inc.** (direct-response catalog div.) [clothing]	151.2	(1)
228. **Manufacturers National Corp.** [Michigan bank holding co.]	**Affiliated Banc Group Inc.** [Illinois bank holding co.]	150.5	(3)
229. **Transamerica Corp.** [insurance and financial services]	**Fairmont Financial Inc.** [worker's compensation insurance]	150.0	(2)
230. **Ashland Oil Inc.** [petroleum, coal and chemicals]	**Tanner Southwest Inc.** [highway construction and materials]	150.0	(3)
231. **Revlon Group Inc.** [holding co. - personal products]	**Yves Saint Laurent International - France** (Charles of the Ritz brands) [cosmetics]	150.0	(1)
232. **Private Group** [led by publisher Dean Singleton]	**Toronto Sun Publishing Corp. - Canada** (Houston Post) [newspaper]	150.0	(1)
233. **Private Group** [Citicorp Venture Capital plus current management]	**Burlington Industries Inc.** (Burlington Prints Div. and apparel fabrics) [printed and cotton fabrics]	150.0	(1)
234. **Private Group** [group includes Sconnix Broadcasting Co.]	**John Blair & Co.** (8 radio stations) [broadcasting]	150.0	(1)
235. **P.H. Glatfelter Co.** [specialty printing papers]	**Ecusta Corp.** [specialty paper mill]	149.2	(3)
236. **Private Group** [led by company president Arthur Goldberg, with Bear Stearns & Co.]	**International Controls Corp.** [electro-mechanical devices, process-industry controls and equipment]	148.6	(2)
237. **Utilities Investment Inc.** [formed by stockholders of Carey Energy Corp.]	**Pennsylvania Enterprises Inc.** [water and gas utility]	147.5	(2)
238. **Keller Graduate School of Management Inc.** [MBA program]	**Bell & Howell Co.** (85% of DeVry Inc.) [technical school]	147.4	(1)
239. **Private Group** [led by William E. Simon]	**Western Federal Savings and Loan Assn.** [California thrift]	146.5	(2)

\# Statutory Merger
* Leveraged Buyout

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Source: W.T. Grimm & Co.

Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
240. **MAI Basic Four Inc.** [supermini-computer systems]	**Bell Atlantic Corp.** (MAI Basic Four Computer Maintenance and MAI Canada Ltd.) [Basic Four Computer distributors]	$ 146.0	(1)
241. **Private Group** [includes Harold S. Geneen and Donaldson, Lufkin & Jenrette]	**Allied-Signal** (MPB Corp.) [bearings]	145.0	(1)
242. **Exide Corp.** [lead-acid batteries]	**Farley Industries Inc.** (General Battery Corp.) [lead-acid batteries]	145.0	(1)
243. **Warner Communications Inc.** [entertainment]	**Gulf & Western Inc.** (50% of domestic movie-theater operations) [movie theaters]	142.5	(1)
244. **Courtaulds PLC - U.K.** [textiles]	**Porter Paint Co.** [household and industrial paints and coatings]	140.0	(3)
245. **Emhart Corp.** [diversified industrial and consumer products]	**Advanced Technology Inc.** [engineering and management services]	140.0	(3)
246. **Cooper Industries Inc.** [tools, compressors and drilling equipment]	**Joy Technologies Inc.** (IC Group Inc.) [centrifugal operations]	140.0	(1)
247. **Geothermal Resources International Inc.** [geothermal energy]	**Maxus Energy Corp.** (thermal-power unit) [energy development]	140.0	(1)
248. **Tyco Laboratories Inc.** [fire-protection products, electrical components and packaging]	**Atcor, Inc.** [fire-protection and electrical equipment]	139.0	(2)
249. **Parker-Hannifin Corp.** [power-system components]	**Gull Inc.** [electronic aircraft devices]	138.5	(2)
250. **Kinder-Care Inc.** [day-care and health-care services]	**American Savings and Loan Association** [S&L]	137.2	(2)
251. **First Chicago Corp.** [bank holding co.]	**Gary-Wheaton Corp.** [Illinois bank]	136.4	(3)
252. **Ford Motor Co.** [vehicles]	**Versatile Corp.** (farm equipment business) [four-wheel-drive tractors]	135.0	(1)
253. **Gefinor SA - Switzerland** [merchant bank]	**Textron Inc.** (Sheaffer-Eaton div.) [office products]	135.0	(1)
254. **Landis & Gyr AG - W. Germany** [ventilation control devices]	**Marks Controls Corp.** (MCC Power Control Systems) [ventilation control devices]	132.5	(1)
255. **Private Group** [led by management with First Boston Corp.]	**Big V Supermarkets Inc.** [supermarkets]	131.4	(2)
256. **Miller Tabak Hirsch and Co.** [investment partnership]	**Penn Traffic Co.** [supermarkets, dairy, shopping centers]	131.2	(
257. **James River Corp.** [paper and packaging]	**J. Bibby & Sons - U.K.** (flexible packaging div.) [films for packaging]	130.0	(1)

\# Statutory Merger
* Leveraged Buyout

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Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
* 258.	**Private Group** [management with Shearson Lehman]	**Southland Corp.** (Chief Auto Parts Stores) [470 auto-parts stores]	$ 130.0	(1)
259.	**Dominion Textile Inc. - Canada** [textiles]	**Waynesboro Textiles Inc.** (Wayn-Tex unit) [polypropylene-based woven fabrics]	130.0	(1)
260.	**Weintraub Entertainment Group Inc.** [entertainment]	**Cannon Group Inc.** (Screen Entertainment film library) [2,000 movies and 900 TV shows]	125.0	(1)
261.	**Arrow Electronics Inc.** [No. 2 U.S. electronics distributor]	**Ducommun Inc.** (Kierulff Electronics, Ducommun Data Systems and MTI Systems Corp.) [electronics distribution]	125.0	(1)
262.	**Centronics Corp.** [investment co.]	**Ekco Group Inc.** [housewares]	124.0	(3)
263.	**Private Group** [WEI Holdings Inc., formed by Adler & Shaykin]	**Wherehouse Entertainment Inc.** [music and video retailer]	123.3	(2)
264.	**USG Corp.** [building products]	**Beecham Group PLC - U.K.** (DAP Inc.) [caulks, sealants and adhesives]	123.0	(1)
265.	**National Semiconductor Corp.** [semiconductor products]	**Schlumberger Ltd.** (Fairchild Semiconductor Corp.) [digital integrated circuits, microsystems and semiconductors]	122.0	(1)
266.	**Private Group** [BJK&E management]	**Lorimar Telepictures Corp.** (Bozell, Jacobs, Kenyon & Eckhardt Inc.) [advertising agency]	121.0	(1)
267.	**JP Industries Inc.** [automotive and plumbing products]	**Clevite Industries Inc.** (engine parts div.) [bearings and pistons]	120.0	(1)
268.	**Private Group** [led by CBS exec. James H. Rosenfield]	**John Blair & Co.** (Blair TV Representation and Blair Entertainment) [advertising representation and program production]	118.0	(1)
269.	**Wesray Capital Corp.** [holding co.]	**Triton Group Ltd.** (Simplicity Pattern Co.) [sewing patterns]	117.5	(1)
270.	**Private Group** [Hooker Corp. plus Parisian management group]	**Parisian Inc.** [specialty retail chain]	116.0	(2)
271.	**Rollins Inc.** [pest control, security and lawn care]	**Amcare Inc.** [lawn care]	115.4	(3)
272.	**Dresser Industries Inc.** [oil-refining and mining equipment]	**Henley Group Inc.** (M. W. Kellogg Co.) [oil-industry engineering and construction]	115.0	(1)
273.	**Abelkind Ltd. - U.K.** [formed by U.K. operations management]	**Emhart Corp.** (worldwide shoe machinery operations) [shoe-manufacturing equipment]	115.0	(1)

\# Statutory Merger
* Leveraged Buyout

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Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
274.	**Simmons Communications** [formed by cable operator Scott Simmon]	**Scott Cable Communications** [cable TV systems]	$ 114.4	(2)
275.	**Pullman Co.** [construction products and machinery]	**Clevite Industries Inc.** [industrial products]	114.3	(2)
276.	**Supermarket Development Corp.** [105 supermarkets]	**Safeway Stores Inc.** (Texas and New Mexico units) [59 supermarkets]	114.0	(1)
277.	**F. H. Tomkins PLC - U.K.** [metal fasteners and motor components]	**Lear Siegler Holding Corp.** (Smith & Wesson Corp.) [guns]	112.5	(1)
278.	**Corning Glass Works** [glass, ceramics and housewares]	**Hazelton Laboratories Corp.** [chemical and pharmaceutical testing]	112.1	(2)
279.	**TI Group PLC - U.K.** [machine tools, auto products and appliances]	**Houdaille Industries Inc.** [industrial products and m[illegible] tools]	112.0	(3)
280.	**Private Group** [includes Greylock Management and Fidelity Ventures Ltd.]	**Quaker Oats Co.** (Brookstone) [specialty tools and housewares retailer]	110.0	(1)
281.	**Xerox Corp.** [office equipment]	**Furman Selz Holding Corp.** [institutional research, brokerage and investment banking]	110.0	(3)
282.	**American Trading & Production** [oil and gas, sound equipment, and tank vessels]	**Jostens Inc.** (business products div.) [office products]	110.0	(1)
283.	**Private Group** [management group]	**Beneficial Corp.** (American Centennial Insurance Co.) [property and casualty insurance]	108.0	(1)
284.	**Private Group** [company formed by Stater's 2 largest shareholders: Craig Corp. and La Cadena Investments]	**Stater Bros. Inc.** [supermarket chain]	106.6	(2)
285.	**BTR Hopkins Ltd. - Australia** [rubber and plastic industrial products]	**Borg-Warner Corp.** (Borg-Warner Australia Ltd.) [auto parts, pumps, castings, chemicals]	106.0	(1)
286.	**Falcon Cable TV** [cable systems partnership]	**Jones Intercable Inc.** (12 cable TV systems) [cable TV services]	106.0	(1)
287.	**Chubb Corp.** [property and casualty insurance]	**Sovereign Corp.** [insurance holding co.]	105.1	(2)
288.	**General Motors Corp.** [vehicles]	**M/A Com Inc.** (Telecommunications unit) [commercial satellite communications equipment]	105.0	(1)
289.	**Home Owners Federal Savings & Loan Assn.** [Massachusetts S&L]	**Union Warren Savings Bank** [Massachusetts thrift]	105.0	(2)
290.	**Private Group** [led by Shoe-Town managem[illegible]]	**Shoe-Town Inc.** [shoe retailer]	103.4	(2)
291.	**NBD Bancorp** [Michigan bank holding company]	**State National Corp.** [Illinois bank holding co.]	103.0	(3)

\# Statutory Merger
* Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

	Buyer [business and/or product line]	Seller (if applicable, unit sold) [business and/or product line]	Approximate Price Paid *(millions)*	
292.	**Hooker Corp. Ltd. - Australia** [holding company]	**Allied Stores Corp.** (Bonwit Teller) [retail chain]	$ 101.0	(1)
293.	**Key Corp.** [New York bank holding co.]	**Commercial Security Bancorporation** [Utah bank holding co.]	100.8	(2)
294.	**Litton Industries Inc.** [industrial automation, electronics and defense systems]	**Lamb Technicon Corp.** [production machinery]	100.0	(3)
295.	**Affiliated Publications Inc.** [publishing and broadcasting]	**Billboard Publications Inc.** [specialty magazines]	100.0	(3)
296.	**Private Group** [R.A.B. Holdings]	**Whittaker Corp.** (Whittaker General Medical) [medical supplies distributor]	100.0	(1)
297.	**General Electric Co.** [electrical products, finance and broadcasting]	**Kraft Inc.** (D&K Financial Corp.) [fleet leasing and equipment financing]	100.0	(1)
298.	**Majestic Wine Warehouses Ltd. - U.K.** [retail liquors]	**Safeway Stores Inc.** (Liquor Barn) [discount-liquor retail chain]	100.0	(1)
299.	**Warner Communications Inc.** [entertainment]	**Chappell & Co.** [music publisher]	100.0	(3)
300.	**Ingersoll Publications** [newspaper publishing]	**Daily Record** [New Jersey newspaper]	100.0	(3)
301.	**Cadbury Schweppes PLC - U.K.** [confectionery and soft drinks]	**TLC Group L.P.** (Beatrice Australia Ltd.) [foods]	100.0	(1)

\# Statutory Merger
° Leveraged Buyout

(1) Divestiture
(2) Public Seller

(3) Private Seller
(4) Foreign Seller

Source: W.T. Grimm & Co.

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THE 100 LARGEST TRANSACTIONS IN HISTORY

Rank	BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parentheses.)*	Approximate Price Paid (Millions)	Year Announced
1.	Chevron Corp. Gulf Corp.	$13,205.6	1984
2.	Texaco Inc. Getty Oil Co.	10,128.9	1984
3.	Du Pont Co. Conoco Inc.	8,039.8	1981
4.	British Petroleum Co. - U.K. Standard Oil Co. - rem. 45%	7,762.2	1987
5.	U.S. Steel Corp. Marathon Oil Co.	6,618.5	1981
6.	General Electric Corp. RCA Corp.	5,965.1	1985
7.	Mobil Corp. Superior Oil Co.	5,725.8	1984
8.	Philip Morris Cos. General Foods Corp.	5,627.5	1985
9.	Royal Dutch/Shell Group - Netherlands Shell Oil Co. - rem. 30.5%	5,467.9	1984
10.	Kohlberg Kravis Roberts & Co. Beatrice Cos.	5,361.6	1985
#11.	Santa Fe Industries Inc. Southern Pacific Co.	5,099.1	1983
12.	General Motors Corp. Hughes Aircraft Co.	5,025.0	1985
13.	R.J. Reynolds Industries Inc. Nabisco Brands Inc.	4,906.4	1985
14.	Allied Corp. Signal Cos. Inc.	4,476.1	1985
15.	Burroughs Corp. Sperry Corp.	4,394.2	1986
16.	Societe Nationale Elf Aquitaine - France Texasgulf Inc.	4,293.7	1981
#17.	Connecticut General Corp. INA Corp.	4,211.7	1981
18.	SSI Holdings Corp. Safeway Stores Inc.	4,198.4	1986
19.	Amoco Corp. Dome Petroleum Ltd. - Canada	4,180.0	1987
20.	Occidental Petroleum Corp. Cities Service Co.	4,115.6	1982
21.	U.S. Steel Corp. Texas Oil & Gas Corp.	4,094.4	1985
22.	Private Group - led by Merrill Lynch Borg-Warner Corp.	3,798.6	1987

\# Statutory Merger
* Leveraged Buyout

Source: W.T. Grimm & Co.

Rank	BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parentheses.)*	Approximate Price Paid (Millions)	Year Announced
23.	Private Group - led by two top co. executives Southland Corp.	$ 3,723.3	1987
24.	Baxter Travenol Laboratories Inc. American Hospital Supply Corp.	3,702.6	1985
25.	Shell Oil Co. Belridge Oil Co.	3,653.0	1979
26.	Kohlberg Kravis Roberts & Co. Owens-Illinois Inc.	3,631.9	1986
27.	Capital Cities Communications Inc. American Broadcasting Cos.	3,526.8	1985
*28.	Private Group - led by Macy management R.H. Macy & Co.	3,484.7	1985
29.	[1]Campeau Corp. - Canada Allied Stores Corp.	3,249.8	1987
30.	Unilever N.V. - Netherlands Chesebrough-Pond's Inc.	3,092.8	1986
31.	Occidental Petroleum Corp. MidCon Corp.	3,085.6	1985
32.	Nestle S.A. - Switzerland Carnation Co.	2,885.4	1984
33.	Hoechst A G - West Germany Celanese Corp.	2,866.5	1986
34.	Monsanto Co. G.D. Searle & Co.	2,717.1	1985
35.	Fluor Corp. St. Joe Minerals Corp.	2,694.2	1981
36.	May Department Stores Co. Associated Dry Goods Corp.	2,638.0	1986
37.	Seagram Co. Ltd. - Canada Conoco Inc. (26%)	2,576.0	1981
38.	General Motors Corp. Electronic Data Systems Corp.	2,545.6	1984
39.	Beatrice Foods Co. Esmark Inc.	2,508.6	1984
40.	Kuwait Petroleum Corp. - Kuwait Santa Fe International Corp.	2,486.1	1981
41.	Kiewit-Murdock Investment Corp. Continental Group Inc.	2,482.0	1984
42.	Coastal Corp. American Natural Resources Co.	2,445.5	1985
43.	Contel Corp. Communications Satellite Corp.	2,417.6	1986
#44.	Kraft Inc. Dart Industries Inc.	2,400.0	1980

[1]See footnote, page 13.

\# Statutory Merger
* Leveraged Buyout

Source: W.T. Grimm & Co.

Rank	BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parentheses.)*	Approximate Price Paid (Millions)	Year Announced
45.	Broken Hill Proprietary Co. - Australia General Electric Co. (Utah International Inc.)	$ 2,400.0	1983
#46.	Cleveland Electric Illuminating Co. Toledo Edison Co.	2,386.0	1985
#47.	Freeport Minerals Co. McMoran Oil & Gas Co.	2,319.9	1980
48.	Sun Co. Inc. Seagram Co. Ltd. - Canada (Texas Pacific Oil Co.)	2,300.0	1980
49.	InterNorth Inc. Houston Natural Gas Corp.	2,260.4	1985
*50.	Private Group - led by Morgan Stanley Co. Burlington Industries Inc.	2,128.6	1987
51.	Standard Oil Co. of Ohio Kennecott Corp.	2,061.3	1981
52.	Olympia & York Developments Ltd. - Canada Chevron Corp. (its 60.2% interest in Gulf Canada Ltd.)	2,042.3	1985
53.	Sony Corp. - Japan CBS Inc. (CBS Records)	2,000.0	1987
#54.	Hartford National Corp. Shawmut Corp.	2,000.0	1987
55.	JMB Realty Corp. Cadillac Fairview Corp. - Canada	1,924.4	1987
*56.	Kohlberg Kravis Roberts & Co. Jim Walter Corp.	1,908.7	1987
57.	General Electric Co. Utah International Inc.	1,906.5	1975
58.	PacifiCorp Utah Power & Light Co.	1,900.0	1987
#59.	Wachovia Corp. First Atlanta Corp.	1,845.3	1985
#60.	Nabisco Inc. Standard Brands Inc.	1,827.1	1981
61.	Champion International Corp. St. Regis Corp.	1,813.7	1984
*62.	Private Group - led by Merrill Lynch & Co. Supermarkets General Corp.	1,801.2	1987
63.	Shearson Lehman Brothers Inc. Standard Oil Co. (Industrial Holdings Corp.)	1,800.0	1987
#64.	Southern Railway Norfolk & Western Railway	1,730.2	1980
65.	Forstmann Little & Co. Lear Siegler Inc.	1,713.6	1986

\# Statutory Merger
* Leveraged Buyout

Source: W.T. Grimm & Co.

Rank	BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parentheses.)*	Approximate Price Paid (Millions)	Year Announced
66.	Phillips Petroleum Co. R.J. Reynolds Industries Inc. (Energy Operations)	$ 1,700.0	1984
67.	Private Group - led by Tele-Communications Inc. SCI Holdings Inc.	1,700.0	1987
68.	Mobil Oil Corp. Marcor Inc. ...Mobil acquired 54% in 1974 and remaining interest in 1976.	1,687.2	1974 & 1976
69.	Rockwell International Corp. Allen-Bradley Co.	1,650.0	1985
70.	Pantry Pride Inc. Revlon Inc.	1,638.7	1985
71.	Private Group - led by Viacom's management Viacom International Inc.	1,613.8	1986
72.	Procter & Gamble Co. Richardson-Vicks Inc.	1,611.4	1985
73.	Time Inc., Tele-Communications Inc., Comcast Corp., Daniels & Associates, Century Southwest Communications Corp. Westinghouse Electric Corp. (Group W Cable)	1,600.0	1985
74.	American General Corp. NLT Corp.	1,593.7	1982
75.	Xerox Corp. Crum & Forster	1,572.3	1982
76.	Dun & Bradstreet Corp. A.C. Nielsen Co.	1,571.2	1984
*77.	Private Group - includes Storer management Storer Communications, Inc.	1,569.3	1985
78.	Manufacturers Hanover Corp. RCA Corp. (C.I.T. Financial Corp.)	1,510.0	1983
79.	ICH Corp. Tenneco Inc. (Philadelphia Ins. Co. & Southwest Life Ins.)	1,500.0	1986
80.	Montedison SpA - Italy Hercules Inc. (38.5% of Himont Inc.)	1,490.0	1987
*81.	Private Group - Metromedia's management Metromedia Inc.	1,467.9	1983
82.	Private Group - led by Carl Lindner Taft Broadcasting Co.	1,446.1	1987
83.	Turner Broadcasting System Inc. MGM/UA Entertainment Co.	1,440.9	1985

\# Statutory Merger
* Leveraged Buyout

Source: W.T. Grimm & Co.

Rank	BUYER / SELLER *(In the case of divestitures, the unit sold is identified and appears in parentheses.)*	Approximate Price Paid (Millions)	Year Announced
84.	Dome Petroleum Ltd. - Canada Conoco Inc. (20%) ...Dome acquired 20% of Conoco shares through a cash tender offer. Conoco then agreed to sell its controlling interest in Hudson's Bay Oil & Gas to Dome for $1.68 billion which consisted of $245 million in cash and the 20% of Conoco shares Dome had acquired.	$ 1,430.0	1981
#85.	Schering Corp. Plough Inc.	1,428.6	1970
86.	Ralston Purina Co. Union Carbide Corp. (Battery Division)	1,420.0	1986
87.	Coca-Cola Co. JTL Corp.	1,400.0	1986
88.	Diamond Shamrock Corp. Natomas Co.	1,354.5	1983
89.	RCA Corp. C.I.T. Financial Corp.	1,350.0	1979
90.	Private Group - led by Reliance's management Exxon Corp. (Reliance Electric Co.)	1,350.0	1986
91.	Private Group - led by Robert Bass, Aioki Corp. Allegis Corp. (Westin Hotels & Resorts)	1,350.0	1987
92.	Allied Corp. Bendix Corp.	1,334.8	1982
93.	Blue Arrow PLC - U.K. Manpower Inc.	1,330.8	1987
*94.	Private Group - led by Gypsum management National Gypsum Co.	1,327.0	1985
95.	USAir Group Inc. Piedmont Aviation Inc.	1,317.1	1987
96.	Hanson Trust PLC - U.K. Kidde Inc.	1,308.3	1987
97.	R. J. Reynolds Industries Inc. Heublein Inc.	1,302.6	1982
98.	Private Group - Ford Motor Co. and management Allegis Corp. (Hertz Corp.)	1,300.0	1987
#99.	Fleet Financial Group Norstar Bancorp	1,300.0	1987
100.	Burlington Northern Inc. El Paso Co. ...Burlington acquired 48% in 1982 and the remainder in 1983.	1,279.6	1982 & 1983

The total value of the 100 largest transactions in history is $284.8 billion.

\# Statutory Merger
* Leveraged Buyout

Source: W.T. Grimm & Co.

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MEDIUM OF PAYMENT

In monitoring the form of payment utilized to execute a transaction, the W.T. Grimm & Co. Research Department classifies the payment medium into four types: (1) cash, which can consist of internal or borrowed funds, (2) stock, common or preferred, (3) combination of cash, stock and/or debt, and (4) debt, which solely refers to notes or debentures issued by the acquiring company to the seller. The number of transactions within each of the four payment mediums along with the respective percentages of all transactions disclosing the method of payment is provided in Figure 9.

Cash continued to be the dominant form of payment in 1987. Based on the 724 transactions that disclosed payment data, 41%, or 298, were cash deals. That proportion was in line with the percentage of cash deals reported during the past 20 years.

Stock transactions comprised 34%, or 248, of the deals disclosing payment form. That figure is also in line with the proportion of stock deals in the past few years. The strong stock market through most of 1987 enabled corporate acquirers to use equity rather than internal or borrowed cash. Historically, stock has always been the preferred medium of payment among bank holding companies. Due to the regulatory environment of the banking industry, banks must maintain high equity ratios and are, therefore, discouraged from issuing cash payments.

Combinations of cash, stock and/or debt accounted for 24%, or 176, of the transactions disclosing payment form, again within the range of past years.

Debt was used in two transactions announced during 1987.

PAYMENT TRENDS
1964 — 1987

Year	Total Number Disclosing Payment Form	Number (Percent of Deals Disclosing Payment Form) Cash	Stock	Combination	Debt
1964	1,950	1,248 (64%)	702 (36%)	—	*
1965	2,125	1,436 (67%)	604 (30%)	85 (3%)	*
1966	2,359	1,438 (60%)	802 (35%)	119 (5%)	*
1967	2,975	1,077 (36%)	1,783 (60%)	115 (4%)	*
1968	4,462	1,314 (29%)	2,762 (62%)	386 (9%)	*
1969	5,181	1,667 (32%)	2,945 (57%)	569 (11%)	*
1970	3,523	1,023 (29%)	1,834 (52%)	575 (16%)	91 (3%)
1971	2,963	961 (32%)	1,441 (49%)	514 (17%)	47 (2%)
1972	3,328	1,120 (34%)	1,696 (51%)	475 (14%)	37 (1%)
1973	2,686	1,113 (41%)	1,172 (44%)	365 (14%)	36 (1%)
1974	1,672	805 (48%)	555 (33%)	259 (16%)	53 (3%)
1975	1,225	585 (48%)	325 (27%)	285 (23%)	30 (2%)
1976	1,255	656 (52%)	327 (26%)	250 (20%)	22 (2%)
1977	1,238	663 (54%)	322 (26%)	224 (18%)	29 (2%)
1978	1,182	539 (46%)	353 (30%)	273 (23%)	17 (1%)
1979	1,233	654 (53%)	323 (26%)	247 (20%)	9 (1%)
1980	1,121	522 (47%)	345 (31%)	237 (21%)	17 (1%)
1981	1,309	542 (42%)	448 (34%)	301 (23%)	18 (1%)
1982	1,083	405 (38%)	317 (29%)	338 (31%)	23 (2%)
1983	1,108	350 (32%)	387 (35%)	362 (33%)	9 (—)
1984	1,079	465 (43%)	281 (26%)	320 (30%)	13 (1%)
1985	1,468	742 (51%)	344 (23%)	377 (26%)	5 (—)
1986	1,303	545 (42%)	411 (32%)	345 (26%)	2 (—)
1987	724	298 (41%)	248 (34%)	176 (24%)	2 (1%)
	48,552	20,168 (42%)	20,727 (43%)	7,197 (15%)	460 (—)

* A separate tally of debt payments began in 1970. Prior to 1970, debt was included in cash payments.

Source: W.T. Grimm & Co.

Figure 9.

Historical Note

With the exception of 1983, cash has been the leading form of payment in all transactions since 1974. Before that, stock was the longstanding favorite method of payment. The switch to cash reflects a weakening in stock price/earnings ratios (see Figure 52, page 92,) which made buyers more reluctant to use undervalued stock for acquisition and merger transactions. The aberration in 1983 reflects a period of tight money and high interest rates.

While cash continued to be the preferred method of payment overall in 1987, the composition breakdowns indicate a recent trend toward more all-stock deals and away from combination transactions.

COMPOSITION OF NET ACQUISITION ANNOUNCEMENTS
PAYMENT BREAKDOWN
1983 — 1987

	1983	1984	1985	1986	1987
Divestitures					
Cash	113 (45%)	152 (57%)	354 (71%)	186 (59%)	88 (60%)
Stock	24 (9%)	15 (5%)	26 (5%)	31 (10%)	12 (8%)
Combination	115 (45%)	96 (36%)	114 (23%)	95 (30%)	45 (31%)
Debt	2 (1%)	5 (2%)	3 (1%)	2 (1%)	2 (1%)
TOTAL	254	268	497	314	147
Acquisitions of Publicly Traded Companies					
Cash	94 (51%)	134 (65%)	182 (57%)	171 (56%)	127 (57%)
Stock	52 (28%)	34 (16%)	78 (25%)	78 (25%)	60 (27%)
Combination	37 (20%)	35 (17%)	56 (18%)	57 (19%)	35 (16%)
Debt	1 (1%)	4 (2%)	1 —	— —	— —
TOTAL	184	207	317	306	222
Acquisitions of Privately Held Companies					
Cash	129 (20%)	167 (29%)	170 (28%)	180 (27%)	78 (23%)
Stock	306 (48%)	226 (39%)	234 (39%)	295 (45%)	173 (51%)
Combination	202 (31%)	180 (31%)	195 (33%)	188 (28%)	89 (26%)
Debt	6 (1%)	4 (1%)	1 —	— —	— —
TOTAL	643	577	600	663	340
Acquisitions of Foreign Sellers					
Cash	14 (52%)	12 (45%)	36 (67%)	8 (40%)	5 (33%)
Stock	5 (18%)	6 (22%)	6 (11%)	7 (35%)	3 (20%)
Combination	8 (30%)	9 (33%)	12 (22%)	5 (25%)	7 (47%)
Debt	— —	— —	— —	— —	— —
TOTAL	27	27	54	20	15
All Transactions					
Cash	350 (32%)	465 (43%)	742 (51%)	545 (42%)	298 (41%)
Stock	387 (35%)	281 (26%)	344 (23%)	411 (32%)	248 (34%)
Combination	362 (33%)	320 (30%)	377 (26%)	345 (26%)	176 (24%)
Debt	9 —	13 (1%)	5 —	2 —	2 (1%)
TOTAL	1,108	1,079	1,468	1,303	724

All totals are based on those transactions providing information on form of payment.

Source: W. T. Grimm & Co.

Figure 10.

Among divestitures, cash led all other forms of payment in 1987, followed by combination, stock and debt transactions respectively, reflecting the same payment preferences as in past years. Most divestitures are transacted with cash because of the selling parent company's need for liquidity. Since divestitures frequently are used to accomplish corporate restructuring goals, the parent companies prefer cash in order to lower debt or to reinvest in businesses that have been targeted for growth.

Acquisitions of publicly traded companies continued to be paid primarily in cash, and continued the trend of the past few years of stock deals over combination payments. Cash is typically the favored method of payment for acquisitions of public companies because it requires less disclosure on the part of the buyer. When issuing securities to the shareholders, the acquiring company is obliged to disclose ample information on its business operations and financial condition so the selling shareholders can determine both the present and potential value of the buyer's securities.

Acquisitions of privately held companies were transacted primarily in stock deals in 1987, followed by combination and cash transactions respectively, as in the past five years. Purchases of privately held companies typically are transacted through an exchange of stock to enable owners of private entities to avoid paying capital gains taxes. Unlike a publicly traded company, which has many shareholders, a privately held business has one owner or a handful of shareholders, usually members of the owner's family. Hence, their concern for tax liability is much greater. Furthermore, in many instances, management owners remain with the company, expecting to contribute to the future growth of the newly merged entity, and thereby profiting from the stock's appreciation.

Acquisitions of foreign sellers, once transacted mostly in cash, were transacted mainly in combination deals in 1987, followed by cash purchases and stock deals, respectively.

Figure 11 indicates the method-of-payment breakdown for five dollar-value categories. Cash payments declined from 1986 levels among transactions of $25 million or less and among those of $50.1 million to $100 million. Payments of stock increased substantially among the smallest deals, and combination payments increased significantly among $50.1-$100-million transactions.

FORMS OF PAYMENT
COMPARISON BY VALUE OF DEALS*
1981 — 1987

	1981	1982	1983	1984	1985	1986	1987
Price Paid Value of $25 Million or Less							
Cash	303 (41%)	203 (39%)	156 (31%)	165 (37%)	307 (48%)	154 (35%)	51 (25%)
Stock	290 (39%)	151 (29%)	185 (37%)	129 (29%)	162 (26%)	155 (35%)	91 (44%)
Combination	130 (18%)	153 (29%)	156 (31%)	145 (33%)	159 (25%)	132 (30%)	65 (31%)
Debt	12 (2%)	15 (3%)	4 (1%)	6 (1%)	5 (1%)	2 —	1 —
TOTAL	735	522	501	445	633	443	208
$25.1 Million-$50.0 Million							
Cash	50 (52%)	32 (41%)	40 (41%)	66 (60%)	89 (58%)	53 (44%)	40 (48%)
Stock	28 (29%)	18 (23%)	30 (30%)	18 (16%)	31 (20%)	43 (35%)	28 (33%)
Combination	16 (17%)	26 (33%)	27 (27%)	26 (24%)	33 (22%)	26 (21%)	15 (18%)
Debt	2 (2%)	2 (3%)	2 (2%)	— —	— —	— —	1 (1%)
TOTAL	96	78	99	110	153	122	84
$50.1 Million-$100.0 Million							
Cash	37 (54%)	36 (50%)	32 (42%)	59 (65%)	76 (68%)	64 (62%)	35 (56%)
Stock	17 (25%)	11 (15%)	14 (18%)	11 (12%)	18 (16%)	19 (19%)	11 (17%)
Combination	13 (19%)	25 (35%)	30 (40%)	20 (22%)	17 (16%)	19 (19%)	17 (27%)
Debt	1 (2%)	— —	— —	1 (1%)	— —	— —	— —
TOTAL	68	72	76	91	111	102	63
$100.1 Million-$999.9 Million							
Cash	48 (49%)	52 (57%)	47 (44%)	85 (62%)	129 (65%)	115 (60%)	82 (61%)
Stock	19 (19%)	17 (18%)	20 (19%)	17 (12%)	23 (11%)	38 (19%)	27 (20%)
Combination	31 (31%)	23 (25%)	40 (37%)	34 (25%)	48 (24%)	40 (21%)	25 (19%)
Debt	1 (1%)	— —	— —	2 (1%)	— —	— —	— —
TOTAL	99	92	107	138	200	193	134
Over $999.9 Million							
Cash	5 (50%)	1 (17%)	1 (14%)	11 (61%)	20 (57%)	12 (60%)	14 (61%)
Stock	1 (10%)	— —	3 (43%)	1 (6%)	1 (3%)	2 (10%)	2 (9%)
Combination	4 (40%)	5 (83%)	3 (43%)	5 (27%)	14 (40%)	6 (30%)	7 (30%)
Debt	— —	— —	— —	1 (6%)	— —	— —	— —
TOTAL	10	6	7	18	35	20	23

*All totals based on those transactions providing information on form of payment as well as price.

Source: W. T. Grimm & Co.

Figure 11.

INDUSTRY HIGHLIGHTS

The W.T. Grimm & Co. Research Department classifies merger and acquisition announcements into 50 seller-based categories. More than half (1,073, or 53%) of the 2,032 net announcements in 1987 were concentrated in the top 10 industry categories.

A breakdown of transactions in the wholesale and distribution category in Figure 12 shows that acquisitions and mergers in the foods and groceries segment again led the category, continuing a three-year trend, with 20 announcements. Medical and health-care products maintained the No. 2 position, with 14 announcements, and industrial products and supplies tied with other consumer goods for third place, with nine announcements.

Among retailers, shown in Figure 13, mergers and acquisitions of specialty apparel stores leaped well ahead of all other retailers as the No. 1 acquisition target, with 30 announcements. Miscellaneous specialty retailers were second with 22 announcements. Supermarkets, the No. 1 retail segment in 1986, tied for third place with department stores in 1987, with 15 announcements each.

The ranking of the W.T. Grimm & Co. industry categories by the number of transactions appears on page 43. A ranking by total dollar value paid is on page 44, followed by an industry breakdown of $100-million-plus transactions on page 45.

NET MERGER-ACQUISITION ANNOUNCEMENTS
WHOLESALE & DISTRIBUTION
1983 — 1987

Product Line of Distributor	Number of Transactions				
	1983	1984	1985	1986	1987
Foods & Groceries	15	16	28	39	20
Medical & Health Care Products	24	24	25	24	14
Other Consumer Goods	5	8	18	14	9
Industrial Products, Supplies & Equipment	12	17	43	11	9
Business Machines, Computers & Related Products	6	16	13	9	8
Chemical Products	8	6	10	7	7
Electrical Equipment & Products	3	4	3	7	4
Recreational Products	5	5	6	2	4
Furniture, Home Furnishings & Appliances	7	5	2	2	4
Office Supplies & Paper Products	5	5	8	4	2
Construction & Building Products & Supplies	1	7	8	20	1
Electronic Components & Equipment	4	11	12	14	1
Agricultural Products & Equipment	2	3	4	2	1
Beverages & Tobacco	6	4	2	2	1
Automotive Products	4	12	12	3	1
Totals	107	143	194	160	86

Source: W. T. Grimm & Co.

Figure 12.

NET MERGER-ACQUISITION ANNOUNCEMENTS
RETAIL
1983 — 1987

Type of Retailer Acquired	Number of Transactions				
	1983	1984	1985	1986	1987
Specialty Apparel	13	18	11	7	30
Specialty Other	20	25	25	19	22
Supermarkets	8	12	9	20	15
Department Stores	2	4	13	11	15
Home Entertainment & Consumer Electronics	4	5	9	14	11
Furniture, Home Furnishings & Appliances	4	15	10	5	10
Hardware & Home Improvement	6	11	9	14	9
Direct Mail	2	3	7	6	9
Convenience Stores	4	3	7	11	8
Specialty Foods & Beverages	4	1	4	5	8
Discount & Variety	15	7	9	15	5
Automotive Parts & Supplies	4	8	9	3	4
Drugstores	2	7	8	10	2
Gas Stations & Other Fuels	2	11	6	7	2
Totals	90	130	136	147	150

Source: W. T. Grimm & Co.

Figure 13.

RANKING OF INDUSTRY CLASSIFICATIONS

NUMBER OF TRANSACTIONS

1983 — 1987

Industry Classification of Seller	Number of Transactions (Rank)					Five-Year Cumulative
	1983	1984	1985	1986	1987	
Banking & Finance	331 (1)	251 (1)	381 (1)	415 (1)	262 (1)	1,640 (1)
Retail	90 (7)	130 (4)	136 (5)	147 (5)	150 (2)	653 (4)
Miscellaneous Services	135 (2)	138 (3)	182 (3)	235 (2)	139 (3)	829 (2)
Computer Software, Supplies & Services	119 (3)	118 (5)	150 (4)	168 (3)	87 (4)	642 (5)
Wholesale & Distribution	107 (5)	143 (2)	194 (2)	160 (4)	86 (5)	690 (3)
Food Processing	74 (10)	58 (17)	82 (12)	101 (10)	78 (6)	393 (10)
Drugs, Medical Supplies & Equipment	86 (8)	61 (16)	104 (7)	123 (7)	71 (7)	445 (7)
Chemicals, Paints & Coatings	55 (17)	79 (11)	86 (10)	90 (13)	70 (8)	380 (12)
Printing & Publishing	56 (16)	67 (13)	97 (8)	130 (6)	66 (9)	416 (9)
Broadcasting	60 (14)	83 (10)	93 (9)	123 (7)	64 (10)	423 (8)
Industrial & Farm Equipment & Machinery	104 (6)	93 (7)	108 (6)	110 (9)	59 (11)	474 (6)
Instruments & Photographic Equipment	53 (19)	71 (12)	74 (13)	93 (12)	59 (11)	350 (13)
Office Equipment & Computer Hardware	59 (15)	55 (18)	61 (19)	77 (16)	56 (13)	308 (16)
Electrical Equipment	49 (21)	50 (19)	67 (15)	68 (18)	53 (14)	287 (19)
Leisure & Entertainment	49 (21)	41 (22)	72 (14)	84 (14)	43 (15)	289 (18)
Electronics	81 (9)	67 (13)	64 (17)	83 (15)	43 (15)	338 (14)
Fabricated Metal Products	55 (17)	42 (21)	60 (20)	75 (17)	40 (17)	272 (21)
Insurance	67 (11)	66 (15)	67 (15)	94 (11)	38 (18)	332 (15)
Health Services	63 (12)	86 (8)	64 (17)	54 (21)	35 (19)	302 (17)
Transportation	36 (26)	36 (25)	48 (22)	58 (19)	34 (20)	212 (22)
Brokerage, Investment & Management Consulting Services	63 (12)	86 (8)	49 (21)	47 (23)	32 (21)	277 (20)
Oil & Gas	111 (4)	102 (6)	86 (10)	58 (19)	30 (22)	387 (11)
Aerospace, Aircraft & Defense	15 (42)	22 (36)	33 (30)	31 (32)	30 (22)	131 (31)
Communications	33 (27)	24 (34)	34 (29)	53 (22)	28 (24)	172 (26)
Construction Contractors & Engineering Services	42 (24)	29 (28)	41 (25)	44 (25)	27 (25)	183 (25)
Plastics & Rubber	44 (23)	39 (23)	36 (27)	44 (25)	27 (25)	190 (24)
Automotive Products & Accessories	10 (47)	26 (33)	28 (32)	41 (28)	24 (27)	129 (33)
Apparel	24 (34)	34 (26)	35 (28)	35 (31)	23 (28)	151 (28)
Primary Metal Processing	39 (25)	43 (20)	43 (24)	45 (24)	22 (29)	192 (23)
Toys & Recreational Products	23 (35)	28 (30)	26 (36)	31 (32)	22 (29)	130 (32)
Construction, Mining & Oil Equipment & Machinery	20 (37)	12 (45)	7 (49)	20 (40)	21 (31)	80 (42)
Beverages	11 (45)	21 (38)	23 (37)	26 (35)	19 (32)	100 (38)
Building Products & Materials	26 (33)	29 (28)	29 (31)	43 (27)	18 (33)	145 (29)
Stone, Clay & Glass	27 (31)	27 (31)	19 (40)	38 (30)	18 (33)	129 (33)
Packaging & Containers	29 (29)	22 (36)	27 (35)	22 (38)	16 (35)	116 (36)
Toiletries & Cosmetics	10 (47)	11 (48)	9 (48)	10 (46)	16 (35)	56 (48)
Textiles	16 (41)	12 (45)	15 (44)	31 (32)	14 (37)	88 (40)
Electric, Gas, Water & Sanitary Services	27 (31)	13 (44)	22 (38)	21 (39)	14 (37)	97 (39)
Valves, Pumps & Hydraulics	20 (37)	23 (35)	28 (32)	20 (40)	13 (39)	104 (37)
Household Goods	30 (28)	30 (27)	28 (32)	39 (29)	12 (40)	139 (30)
Furniture	18 (39)	17 (42)	16 (41)	25 (36)	12 (40)	88 (40)
Agricultural Production	13 (43)	19 (39)	12 (47)	10 (46)	11 (42)	65 (47)
Miscellaneous Manufacturing	51 (20)	37 (24)	38 (26)	25 (36)	10 (43)	161 (27)
Mining & Minerals	18 (39)	12 (45)	16 (41)	14 (45)	8 (44)	68 (45)
Autos & Trucks	4 (50)	3 (50)	13 (46)	8 (49)	8 (44)	36 (49)
Paper	11 (45)	16 (43)	20 (39)	17 (44)	8 (44)	72 (43)
Real Estate	28 (30)	27 (31)	44 (23)	20 (40)	6 (47)	125 (35)
Conglomerate	13 (43)	18 (41)	14 (45)	20 (40)	6 (47)	71 (44)
Timber & Forest Products	7 (49)	7 (49)	4 (50)	1 (50)	2 (49)	21 (50)
Energy Services	21 (36)	19 (39)	16 (41)	9 (48)	2 (49)	67 (46)
Totals	2,533	2,543	3,001	3,336	2,032	13,445

Source: W.T. Grimm & Co.

RANKING OF INDUSTRY CLASSIFICATIONS

DOLLAR VALUE PAID

(millions)

Industry Classification of Seller	Dollar Value (Rank)				
	1983	1984	1985	1986	1987
Retail	$ 1,489.0 (11)	$ 6,673.2 (4)	$ 10,029.7 (7)	$ 13,682.9 (3)	$ 17,038.8 (1)
Banking & Finance	13,628.3 (1)	5,846.3 (5)	14,036.9 (4)	19,441.6 (1)	16,209.2 (2)
Oil & Gas	12,075.8 (2)	42,981.8 (1)	23,160.1 (1)	3,247.4 (19)	15,442.0 (3)
Miscellaneous Services	991.7 (21)	2,323.9 (13)	2,414.6 (16)	5,690.5 (9)	8,885.6 (4)
Broadcasting	3,747.1 (4)	1,917.9 (16)	15,012.9 (3)	8,106.9 (4)	8,728.7 (5)
Leisure & Entertainment	1,797.4 (9)	2,580.7 (11)	5,640.3 (11)	6,963.9 (6)	6,949.7 (6)
Conglomerate	2,745.1 (7)	6,982.9 (3)	16,301.6 (2)	15,306.8 (2)	6,839.1 (7)
Transportation	5,254.6 (3)	1,251.8 (22)	2,876.9 (14)	6,829.2 (7)	4,955.9 (8)
Beverages	1,548.4 (10)	853.9 (25)	1,017.3 (30)	3,725.8 (17)	4,436.3 (9)
Primary Metal Processing	1,340.6 (13)	1,073.8 (24)	1,575.9 (24)	1,988.4 (22)	3,603.8 (10)
Brokerage, Investment & Management Consulting Services	1,455.3 (12)	1,460.3 (20)	579.1 (20)	1,710.4 (27)	3,492.1 (11)
Food Processing	1,163.6 (17)	7,094.8 (2)	11,837.8 (5)	4,706.5 (13)	3,315.9 (12)
Printing & Publishing	892.9 (23)	2,863.9 (9)	3,474.6 (13)	6,673.9 (8)	3,240.6 (13)
Electric, Gas, Water & Sanitary Services	511.1 (31)	737.1 (32)	5,592.9 (12)	1,483.3 (33)	3,005.2 (14)
Toiletries & Cosmetics	115.3 (45)	516.4 (36)	2,043.8 (20)	1,009.0 (40)	2,911.8 (15)
Industrial & Farm Equipment & Machinery	1,151.4 (18)	1,635.6 (19)	2,374.2 (17)	4,019.9 (16)	2,884.7 (16)
Chemicals, Paints & Coatings	1,080.1 (19)	2,629.9 (10)	8,568.0 (8)	7,438.0 (5)	2,850.0 (17)
Office Equipment & Computer Hardware	1,059.9 (20)	820.0 (26)	996.0 (31)	5,323.6 (11)	2,828.5 (18)
Textiles	1,212.7 (16)	91.0 (49)	720.0 (37)	1,733.9 (26)	2,702.1 (19)
Electronics	471.9 (33)	290.1 (43)	6,899.2 (10)	1,368.0 (37)	2,613.3 (20)
Electrical Equipment	513.1 (30)	1,978.4 (15)	1,785.1 (23)	4,272.3 (15)	2,600.5 (21)
Insurance	2,966.1 (5)	3,005.9 (8)	2,694.0 (15)	5,412.7 (10)	2,483.9 (22)
Aerospace, Aircraft & Defense	887.4 (24)	812.1 (27)	7,358.2 (9)	3,088.6 (20)	2,434.9 (23)
Building Products & Materials	268.4 (38)	621.2 (34)	750.4 (36)	828.6 (43)	2,398.9 (24)
Plastics & Rubber	148.7 (43)	462.4 (37)	1,181.2 (26)	843.0 (42)	2,333.3 (25)
Drugs, Medical Supplies & Equipment	904.1 (22)	708.1 (33)	10,867.3 (6)	4,806.5 (12)	2,269.7 (26)
Real Estate	829.3 (25)	1,132.2 (23)	1,017.7 (29)	713.1 (44)	2,191.9 (27)
Instruments & Photographic Equipment	513.8 (29)	196.8 (44)	308.1 (46)	1,783.6 (25)	2,153.2 (28)
Automotive Products & Accessories	29.0 (49)	190.4 (45)	911.0 (32)	1,844.9 (24)	1,998.2 (29)
Construction, Mining & Oil Field Equipment & Machinery	548.5 (28)	376.2 (40)	41.4 (50)	997.6 (41)	1,923.6 (30)
Health Services	1,999.4 (8)	1,687.9 (17)	880.9 (33)	1,905.1 (23)	1,834.8 (31)
Miscellaneous Manufacturing	91.8 (46)	336.4 (32)	369.9 (43)	1,557.2 (30)	1,757.6 (32)
Autos & Trucks	173.5 (41)	2.3 (50)	56.9 (48)	186.6 (48)	1,675.0 (33)
Computer Software, Supplies & Services	666.1 (26)	3,766.4 (6)	2,139.1 (18)	3,356.4 (18)	1,674.0 (34)
Timber & Forest Products	13.8 (50)	2,297.2 (14)	850.6 (34)	315.0 (45)	1,545.9 (35)
Communications	563.2 (27)	123.1 (48)	1,147.4 (27)	4,485.3 (14)	1,451.7 (36)
Fabricated Metal Products	154.7 (42)	180.4 (46)	581.3 (39)	1,669.9 (29)	1,058.8 (37)
Packaging & Containers	1,297.5 (15)	3,089.4 (7)	1,063.5 (28)	1,517.7 (31)	1,025.8 (38)
Toys & Recreational Products	37.3 (48)	762.3 (31)	329.6 (45)	1,210.6 (39)	923.4 (39)
Wholesale & Distribution	364.9 (35)	1,651.8 (18)	1,910.1 (21)	1,682.6 (28)	748.1 (40)
Mining & Minerals	2,946.2 (6)	346.7 (41)	355.6 (44)	147.9 (49)	675.7 (41)
Household Goods	1,300.0 (14)	802.7 (28)	1,295.8 (25)	2,452.6 (21)	654.2 (42)
Valves, Pumps & Hydraulics	281.6 (36)	556.0 (35)	481.6 (42)	207.4 (47)	602.3 (43)
Construction Contractors & Engineering Services	423.3 (34)	799.7 (29)	713.3 (38)	1,445.3 (34)	580.4 (44)
Apparel	138.1 (44)	1,392.2 (21)	2,086.3 (19)	1,416.6 (36)	567.4 (45)
Stone, Clay & Glass	499.0 (32)	764.4 (30)	1,805.6 (22)	1,252.9 (38)	417.0 (46)
Paper	269.7 (37)	387.0 (39)	830.8 (35)	1,489.3 (32)	392.2 (47)
Agricultural Production	204.0 (40)	453.1 (38)	44.4 (49)	300.2 (46)	187.7 (48)
Energy Services	66.4 (47)	2,546.2 (12)	275.5 (47)	72.3 (50)	151.7 (49)
Furniture	249.4 (39)	169.5 (47)	483.1 (41)	1,425.2 (35)	41.2 (50)
Totals	$73,080.5	$122,223.7	$179,767.5	$173,136.9	$163,686.3

Source: W.T. Grimm & Co.

$100-MILLION-PLUS TRANSACTIONS

INDUSTRY BREAKDOWN

1983 — 1987

Industry Classification of Seller	Number of Transactions					Five-Year Cumulative
	1983	1984	1985	1986	1987	
Banking & Finance	28	12	37	39	29	145
Conglomerate	5	12	8	9	3	37
Retail	3	20	15	20	32	90
Broadcasting	6	6	22	20	17	71
Chemicals, Paints & Coatings	2	5	8	10	8	33
Leisure & Entertainment	5	7	10	20	11	53
Transportation	1	2	8	18	6	35
Printing & Publishing	4	7	10	23	10	54
Miscellaneous Services	2	2	5	13	20	42
Insurance	6	8	7	10	8	39
Office Equipment & Computer Hardware	3	3	4	2	4	16
Drugs, Medical Supplies & Equipment	2	2	11	16	5	36
Food Processing	5	6	5	13	7	36
Communications	1	–	4	5	4	14
Electrical Equipment	1	3	2	5	7	18
Industrial & Farm Equipment & Machinery	2	5	7	8	11	33
Beverages	4	3	2	6	8	23
Computer Software, Supplies & Services	1	5	7	6	3	22
Oil & Gas	19	26	25	7	9	86
Aerospace, Aircraft & Defense	2	2	8	5	7	24
Household Goods	2	2	5	7	2	18
Primary Metal Processing	2	4	5	1	5	17
Health Services	4	5	1	5	2	17
Automotive Products & Accessories	–	1	2	4	4	11
Instruments & Photographic Equipment	1	–	–	5	6	12
Textiles	5	–	2	4	3	14
Brokerage, Investment & Management Consulting Services	2	4	2	5	6	19
Wholesale & Distribution	1	4	4	6	3	18
Fabricated Metal Products	–	1	3	8	4	16
Miscellaneous Manufacturing	–	1	1	1	4	7
Packaging & Containers	3	3	2	4	2	14
Paper	1	1	4	2	2	10
Electric, Gas, Water & Sanitary Services	1	3	4	2	5	15
Construction Contractors & Engineering Services	1	2	2	3	1	9
Furniture	–	–	2	4	–	6
Apparel	–	4	3	4	2	13
Electronics	–	–	3	4	7	14
Stone, Clay & Glass	1	3	1	4	1	10
Toys & Recreational Products	–	2	1	3	3	9
Toiletries & Cosmetics	–	3	2	2	8	15
Construction, Mining & Oil Field Equipment & Machinery	2	1	–	2	4	9
Plastics & Rubber	–	1	2	2	3	8
Building Products & Materials	1	1	3	3	2	10
Real Estate	2	5	5	1	2	15
Timber & Forest Products	–	3	1	1	2	7
Agricultural Production	1	1	1	1	1	5
Valves, Pumps & Hydraulics	2	3	2	1	2	10
Autos & Trucks	1	–	–	2	3	6
Mining & Minerals	3	1	1	–	2	7
Energy Services	–	5	1	–	1	7
Totals	138	200	270	346	301	1,255

Source: W.T. Grimm & Co.

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FOREIGN BUYERS

The influx of foreign investment in the U.S. became an economic issue during 1987, as foreign buyers continued their vigorous activity in the U.S. acquisition market with 220 announced transactions. While that figure represents a decline from 1986's record 264 foreign purchases of U.S. companies, it represents 11% of all 1987 transactions.

The severe weakening of the U.S. dollar against foreign currencies during 1987 encouraged foreign managements to move ahead with U.S. acquisitions. Additionally, many foreign companies sought out American markets to provide new growth and stability outside their own mature markets.

When monitoring foreign acquisitions of American firms, the W. T. Grimm & Co. Research Department includes both foreign purchases of domestic companies and purchases of foreign-based subsidiaries of U.S. corporations. Totals for the last nine years are provided below.

Sixty-two foreign buyers qualified for membership in the W. T. Grimm & Co. $100-Million Club. They are identified by name and country in the listing beginning on page 13.

Year	Foreign Purchases of U.S. Domestic Businesses	Foreign Purchases of Foreign-Based Units of U.S. Companies	Total Foreign Buyers
1979	202	34	236
1980	159	28	187
1981	185	49	234
1982	117	37	154
1983	101	24	125
1984	129	22	151
1985	143	54	197
1986	228	36	264
1987	171	49	220

Source: W. T. Grimm & Co.

Figure 14.

Figure 15 provides annual dollar totals for foreign buyers since 1975, along with the number of transactions since 1972, the first year in which W.T. Grimm & Co. began monitoring foreign acquisitions of U.S. companies.

FOREIGN ACQUISITIONS OF U.S. COMPANIES
1972 — 1987

Year	Total Transactions	Transactions Valued at $100MM or more	Transactions Valued at $1,000MM or more	Total Dollar Value Paid (billions of dollars)	Base*
1972	88	–	–	#	
1973	143	5	–	#	
1974	173	4	–	#	
1975	184	2	–	$ 1.6	84
1976	178	5	–	2.4	87
1977	162	3	–	3.1	92
1978	199	17	–	6.3	134
1979	236	11	–	5.8	142
1980	187	22	–	7.1	110
1981	234	24	4	18.8	126
1982	154	15	–	5.1	81
1983	125	10	1	5.9	59
1984	151	23	2	15.1	85
1985	197	21	3	10.9	80
1986	264	51	3	24.5	156
1987	220	62	10	40.4	128
Totals	2,895	275	23	147.0	1,364

Data not collected in that year.
* Base: Number of transactions disclosing purchase price.

Source: W.T. Grimm & Co.

Figure 15.

Despite a decline in the actual number of foreign acquisitions of U.S. companies in 1987, a record number (62) of $100-million-plus foreign transactions were announced. As a result, nearly half of all foreign acquisitions of U.S. businesses in which a purchase price was disclosed involved deals of $100 million or more, a substantial increase over the 33% of such transactions in 1986.

The higher prices paid by foreign buyers in 1987 was reflected in a 65% jump — to $40.4 billion — in total value of all foreign purchases disclosing a purchase price, in spite of a decline in the actual number of such transactions.

1987 also set a new pace for foreign acquisitions of $1 billion or more, with 10 such announced transactions — more than in the past five years combined. Those included the year's largest transaction: British Petroleum's $7.8-billion purchase of the remaining 45% of Standard Oil Co.

Figure 16 presents a distribution of foreign buyer transactions by the price paid value along with the average and the median purchase price. The price paid distribution and average/median values for all transactions are also provided for comparative purposes.

FOREIGN ACQUISITIONS OF U.S. COMPANIES
PRICE-PAID DISTRIBUTION
1981 — 1987

	Number (Percent of Base)						
Price-Paid Value	**1981**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**
$5 million or less	27 (21%)	14 (17%)	6 (10%)	6 (7%)	12 (15%)	12 (8%)	1 (1%)
$5.1- 25.0 million	44 (35%)	23 (28%)	20 (34%)	27 (32%)	25 (31%)	52 (33%)	19 (15%)
$25.1-99.9 million	31 (25%)	29 (36%)	23 (39%)	29 (34%)	22 (27%)	41 (26%)	46 (36%)
$100 million or more	24 (19%)	15 (19%)	10 (17%)	23 (27%)	21 (27%)	51 (33%)	62 (48%)
Base*	126	81	59	85	80	156	128
Average Purchase Price (millions)	$149.0	$63.0	$100.5	$178.0	$136.0	$157.1	$315.4
Median Purchase Price (millions)	$15.0	$32.4	$36.5	$49.6	$35.3	$70.7	$96.6

PRICE-PAID DISTRIBUTION OF ALL ACQUISITIONS

	Number (Percent of Base)						
Price-Paid Value	**1981**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**
$5 million or less	388 (35%)	296 (32%)	321 (30%)	270 (25%)	296 (23%)	219 (15%)	92 (10%)
$5.1-25.0 million	433 (38%)	338 (36%)	380 (35%)	361 (33%)	454 (34%)	519 (35%)	294 (30%)
$25.1-99.9 million	192 (17%)	180 (20%)	238 (22%)	253 (23%)	300 (23%)	384 (26%)	285 (29%)
$100 million or more	113 (10%)	116 (12%)	138 (13%)	200 (19%)	270 (20%)	346 (24%)	301 (31%)
Base*	1,126	930	1,077	1,084	1,320	1,468	972
Average Purchase Price (millions)	$73.4	$57.8	$67.9	$112.8	$136.2	$117.9	$168.4
Median Purchase Price (millions)	$9.0	$10.5	$16.5	$20.1	$21.1	$24.9	$51.3

Base: Number of transactions disclosing purchase price.

Source W.T. Grimm & Co.

Figure 16.

The average price paid by foreign companies for U.S. firms doubled in 1987 to a record $315.4 million, bolstered by the 62 transactions of $100 million or more. The average price of foreign acquisitions of U.S. companies was nearly double the $168.4 million average price paid for all 1987 transactions.

The median price paid by foreign companies for U.S. firms rose nearly 37%, to $96.6 million, the highest level in history. That price is nearly double the $51.3 million median price paid for all 1987 acquisitions.

With the exception of 1985, the average and median purchase price paid by foreign companies for U.S. firms has been consistently higher than for overall transactions. One reason is that foreign managements seeking to penetrate the U.S. market tend to acquire large U.S. corporations with established market shares.

Both the average price earnings ratio paid by foreign buyers and the premium paid over the market price of U.S. companies are compared to the average P/E and premium paid for all transactions in Figure 17. As the averages demonstrate, foreign acquirers tend to pay higher premiums and P/Es, reflecting their aggressive entry into the U.S. market.

AVERAGE PREMIUM PAID OVER MARKET
COMPARISON OF FOREIGN & ALL ACQUISITIONS
1977 — 1987

	Foreign Acquisitions (Base*)	All Acquisitions (Base*)
1977	49.7% (38)	40.9% (218)
1978	50.5 (47)	46.2 (240)
1979	56.9 (49)	49.9 (229)
1980	55.1 (32)	49.9 (169)
1981	46.6 (27)	48.0 (166)
1982	42.1 (19)	47.4 (177)
1983	45.7 (12)	37.7 (168)
1984	40.2 (21)	37.9 (199)
1985	53.9 (14)	37.1 (331)
1986	33.0 (46)	38.2 (333)
1987	39.4 (37)	38.3 (237)

AVERAGE PRICE/EARNINGS RATIO PAID
COMPARISON OF FOREIGN & ALL ACQUISITIONS
1977 — 1987

	Foreign Acquisitions (Base*)	All Acquisitions (Base*)
1977	15.9X (37)	13.8X (292)
1978	14.0 (45)	14.3 (349)
1979	20.9 (55)	14.3 (333)
1980	13.6 (44)	15.2 (243)
1981	14.4 (33)	15.6 (230)
1982	15.7 (23)	13.9 (193)
1983	16.6 (16)	16.7 (189)
1984	17.8 (25)	17.2 (246)
1985	20.8 (12)	18.0 (427)
1986	24.6 (41)	22.2 (364)
1987	27.9 (38)	23.3 (216)

*Base: Number of transactions providing data necessary to compute average.

Source: W.T. Grimm & Co.

Figure 17.

The number of foreign buyers in each of the 50 W.T. Grimm & Co. industry classifications appears on page 51, followed by a dollar breakdown on page 52.

A listing of 1987's foreign buyers by country begins on page 53. Totals for the previous nine years are also provided. A country breakdown by dollars for the last six years appears on page 54.

INDUSTRIES ATTRACTING FOREIGN BUYERS
1983 — 1987

Seller Industry Category	Number of Transactions					Five-Year Cumulative
	1983	1984	1985	1986	1987	
Retail	5	12	9	11	15	52
Chemicals, Paints & Coatings	10	8	20	18	12	68
Industrial & Farm Equipment & Machinery	6	3	7	8	12	36
Banking & Finance	7	1	9	7	10	34
Miscellaneous Services	8	5	11	18	10	52
Instruments & Photographic Equipment	1	4	6	13	9	33
Drugs, Medical Supplies & Equipment	2	4	12	14	8	40
Wholesale & Distribution	4	7	10	8	8	37
Food Processing	9	8	8	11	7	43
Plastics & Rubber	1	3	3	5	7	19
Primary Metal Processing	–	5	3	4	7	19
Electronics	5	3	4	11	7	30
Beverages	2	–	2	2	6	12
Printing & Publishing	7	3	13	16	6	45
Stone, Clay & Glass	1	5	5	12	6	29
Fabricated Metal Products	4	1	2	5	6	18
Office Equipment & Computer Hardware	2	4	5	8	6	25
Miscellaneous Manufacturing	3	2	2	–	6	13
Brokerage Investment & Management Consulting Services	6	6	4	2	6	24
Leisure & Entertainment	2	1	3	7	6	19
Oil & Gas	9	16	8	4	5	42
Computer Software Supplies & Services	2	3	5	9	5	24
Household Goods	1	3	1	6	4	15
Construction, Mining & Oil Field Machinery & Equipment	1	2	1	2	4	10
Electrical Equipment	2	2	6	9	4	23
Textiles	1	1	–	–	3	5
Building Products & Materials	2	2	2	–	3	9
Valves, Pumps & Hydraulics	–	–	–	3	3	6
Aerospace, Aircraft & Defense	2	1	2	4	3	12
Transportation	–	4	1	3	3	11
Insurance	5	6	6	11	3	31
Apparel	–	2	–	4	2	8
Packaging & Containers	4	2		4	2	16
Toiletries & Cosmetics	–	–	–	2	2	6
Automotive Products & Accessories	2	1	2	3	2	10
Construction Contractors & Engineering Services	2	1	3	2	2	10
Health Services	2	2	1	2	2	9
Conglomerate	–	2	1	3	2	8
Agricultural Production	–	2	2	1	1	6
Toys & Recreational Products	–	1	1	–	1	3
Mining & Minerals	2	2	2	5	1	12
Broadcasting	–	–	1	1	1	3
Electric, Gas, Water & Sanitary Services	–	–	1	–	1	2
Real Estate	–	–	–	1	1	2
Paper	1	4	3	2	–	10
Communications	–	2	–	2	–	4
Furniture	–	2	–	1	–	3
Autos & Trucks	–	1	2	–	–	3
Timber & Forest Products	–	–	1	–	–	1
Energy Services	2	2	1	–	–	5
Totals	125	151	197	264	220	957

Source: W.T. Grimm & Co.

FOREIGN BUYERS
INDUSTRY DOLLAR TOTAL
1983 — 1987

Seller Industry Category	Total Dollar Value (Base*) 1983	1984	1985	1986	1987
Oil & Gas	281.7 (6)	6,720.9 (13)	4,176.9 (6)	290.0 (1)	$ 8,198.4 (3)
Retail	20.1 (1)	592.0 (6)	883.4 (6)	1,061.1 (7)	5,202.7 (10)
Leisure & Entertainment	7.3 (1)	–	510.0 (3)	720.4 (6)	3,115.5 (4)
Beverages	200.0 (1)	–	–	254.0 (2)	2,763.6 (3)
Conglomerate	–	468.9 (1)	503.5 (1)	4,154.8 (2)	1,984.3 (2)
Plastics & Rubber	–	71.0 (1)	30.8 (2)	17.5 (2)	1,793.0 (4)
Banking & Finance	1,389.6 (7)	263.9 (1)	421.7 (4)	834.8 (3)	1,750.0 (6)
Miscellaneous Manufacturing	1.2 (1)	–	3.0 (1)	–	1,625.8 (3)
Miscellaneous Services	115.4 (5)	85.2 (5)	39.2 (7)	1,097.9 (14)	1,529.1 (7)
Chemicals, Paints & Coatings	172.0 (3)	1,045.5 (6)	1,520.3 (9)	4,476.0 (10)	1,501.1 (6)
Office Equipment & Computer Hardware	–	76.8 (3)	42.0 (1)	179.0 (8)	1,023.3 (4)
Brokerage, Investment & Management Consulting Services	77.8 (3)	122.3 (3)	27.1 (1)	324.0 (2)	986.0 (4)
Electronics	20.0 (1)	37.0 (1)	71.0 (1)	124.5 (6)	943.8 (4)
Drugs, Medical Supplies & Equipment	22.7 (2)	50.0 (1)	617.0 (5)	1,119.3 (9)	790.8 (4)
Printing & Publishing	209.0 (4)	350.0 (1)	196.0 (3)	1,564.9 (8)	747.0 (3)
Primary Metal Processing	–	281.0 (2)	4.8 (1)	10.2 (1)	718.6 (5)
Industrial & Farm Equipment & Machinery	8.3 (1)	107.4 (1)	116.0 (2)	204.4 (6)	690.0 (8)
Automotive Products & Accessories	–	9.0 (1)	–	142.8 (1)	650.0 (1)
Instruments & Photographic Equipment	–	13.1 (2)	40.3 (2)	837.4 (10)	627.9 (9)
Household Goods	–	62.6 (2)	–	888.2 (4)	515.0 (2)
Aerospace, Aircraft & Defense	3.0 (1)	6.4 (1)	–	298.7 (3)	391.0 (2)
Fabricated Metal Products	29.9 (1)	–	–	45.0 (1)	344.5 (4)
Valves, Pumps & Hydraulics	–	–	–	–	330.0 (2)
Textiles	–	8.0 (1)	–	–	266.3 (3)
Construction, Mining & Oil Field Machinery & Equipment	32.1 (1)	23.7 (2)	10.0 (1)	–	253.4 (2)
Electrical Equipment	15.9 (2)	–	23.0 (3)	294.9 (7)	248.3 (3)
Mining & Minerals	2,494.8 (2)	97.0 (2)	–	88.9 (2)	241.8 (1)
Apparel	–	10.2 (1)	–	15.0 (1)	205.0 (1)
Agricultural Production	–	43.0 (1)	–	–	170.0 (1)
Insurance	146.7 (5)	417.8 (5)	768.8 (3)	1,587.7 (8)	127.5 (2)
Food Processing	253.0 (3)	2,933.4 (3)	256.5 (4)	991.7 (4)	125.0 (2)
Toys & Recreational Products	–	70.0 (1)	–	–	112.5 (1)
Building Products & Materials	–	–	–	–	99.0 (2)
Health Services	64.2 (1)	123.9 (2)	–	30.0 (1)	82.5 (2)
Wholesale & Distribution	11.4 (1)	485.0 (6)	63.7 (6)	46.2 (4)	65.5 (2)
Stone, Clay & Glass	150.0 (1)	212.5 (3)	341.5 (4)	950.3 (11)	63.4 (2)
Transportation	–	19.0 (2)	–	339.8 (2)	46.4 (1)
Electric, Gas, Water & Sanitary Services	–	–	48.3 (1)	–	30.5 (1)
Computer Software Supplies & Services	43.6 (2)	5.3 (1)	–	13.0 (2)	5.5 (1)
Broadcasting	–	–	–	28.0 (1)	2.0 (1)
Timber & Forest Products	–	–	–	–	–
Paper	–	83.0 (1)	150.0 (1)	26.1 (1)	–
Packaging & Containers	130.0 (1)	171.0 (1)	19.1 (2)	31.0 (2)	–
Furniture	–	56.0 (1)	–	18.3 (1)	–
Toiletries & Cosmetics	–	–	–	631.0 (1)	–
Autos & Trucks	–	–	–	–	–
Communications	–	–	–	–	–
Real Estate	–	–	–	500.0 (1)	–
Energy Services	27.8 (2)	10.0 (1)	–	–	–
Construction Contractors & Engineering Services	–	–	–	274.5 (1)	–
Totals	$5,927.5 (59)	$15,131.8 (85)	$10,883.9 (80)	$24,511.3 (156)	$40,366.0 (128)

*Base: The number of transactions disclosing a purchase price.

Source: W.T. Grimm & Co.

FOREIGN BUYERS
NUMBER OF TRANSACTIONS BY COUNTRY
1978 — 1987

Country of Buyers	Number of Acquisitions										Ten-Year Cumulative
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	
United Kingdom	62	60	50	80	54	41	48	78	89	78	640
Canada	49	50	57	62	36	28	36	25	64	28	435
France	6	18	20	14	12	7	7	4	6	19	113
Australia	2	5	2	7	2	6	5	10	12	17	68
West Germany	27	37	14	14	6	2	4	12	19	15	150
Japan	9	11	9	9	4	6	6	9	16	15	94
Sweden	2	4	8	7	4	3	8	7	11	9	63
Netherlands	4	11	6	8	5	7	5	17	9	9	81
Switzerland	11	16	7	6	7	7	7	10	6	9	86
Italy	3	1	1	4	1	5	1	4	5	6	31
South Africa	–	–	–	2	–	–	–	5	5	6	18
Hong Kong	1	2	2	2	4	–	1	1	3	3	19
Ireland	–	–	–	1	1	1	1	1	2	2	9
Brazil	–	4	–	1	1	–	–	–	3	1	10
Norway	–	–	1	–	–	1	5	2	–	1	10
Spain	–	2	2	1	2	–	1	–	–	1	9
Bermuda	1	–	–	–	–	1	–	1	3	–	6
Belgium	4	2	–	–	–	–	3	1	2	–	12
Israel	–	1	–	2	–	1	1	1	2	–	8
New Zealand	–	–	–	–	1	1	1	–	2	–	5
Finland	–	2	1	–	–	5	2	4	1	–	15
South Korea	2	–	–	–	1	–	–	–	1	–	4
Venezuela	–	1	–	–	–	1	–	–	1	–	3
Denmark	2	–	–	–	–	–	1	2	–	–	5
Argentina	–	2	1	1	–	–	–	1	–	–	5
Philippines	–	2	–	1	1	–	–	1	–	–	5
Singapore	–	–	–	–	2	–	–	1	–	–	3
Bahamas	1	–	1	–	–	–	1	–	–	–	3
Bahrain	–	–	–	–	–	–	1	–	–	–	1
Colombia	–	–	1	–	1	–	1	–	–	–	3
Greece	–	–	–	1	–	–	1	–	–	–	2
Jamaica	–	1	–	–	–	–	–	–	–	–	1
Kuwait	1	–	1	1	1	1	2	–	–	–	7
Libya	–	–	–	–	1	–	–	–	–	–	1
Luxembourg	1	1	–	–	–	–	–	–	–	–	2
Malaysia	–	–	–	1	–	–	1	–	–	–	2
Mexico	3	1	1	2	3	–	–	–	–	–	10
Panama	1	–	–	–	1	–	–	–	–	–	2
Puerto Rico	–	–	–	1	–	1	–	–	–	–	2
Saudi Arabia	3	1	–	3	–	–	–	–	–	–	7
Taiwan	–	–	–	1	–	–	–	–	–	–	1
Thailand	1	–	–	–	1	–	–	–	–	–	2
Trinidad	–	–	–	–	–	–	1	–	–	–	1
Undisclosed	3	1	2	2	2	–	–	–	2	1	13
Total Foreign Buyers	199	236	187	234	154	125	151	197	264	220	1,967

Source: W.T. Grimm & Co.

FOREIGN BUYERS
DOLLAR TOTAL BY COUNTRY
1982 — 1987

Country of Buyer	Total Dollar Value (Base*) 1982	1983	1984	1985	1986	1987
United Kingdom	$1,780.3 (33)	$1,024.5 (22)	$ 2,754.1 (31)	$ 3,401.3 (40)	$ 7,827.8 (72)	$23,519.3 (60)
Canada	1,299.2 (19)	1,309.9 (16)	1,266.6 (19)	2,143.0 (6)	2,837.3 (33)	4,052.7 (12)
Japan	237.0 (2)	688.7 (4)	430.4 (3)	34.2 (3)	899.4 (10)	3,349.2 (6)
Italy	4.5 (1)	56.1 (1)	–	20.2 (1)	72.9 (3)	2,266.9 (4)
Australia	–	2,468.4 (3)	626.3 (4)	1,266.7 (5)	926.3 (6)	2,253.2 (11)
West Germany	9.3 (2)	44.0 (1)	214.5 (2)	1,243.0 (4)	4,303.3 (7)	1,260.2 (5)
Netherlands	90.1 (3)	48.8 (3)	5,605.4 (2)	1,871.3 (8)	3,491.7 (4)	1,116.0 (4)
Switzerland	557.9 (3)	107.7 (3)	2,904.6 (3)	221.9 (2)	291.0 (3)	802.0 (6)
Hong Kong	160.6 (3)	–	–	–	79.8 (2)	764.0 (2)
Sweden	118.8 (3)	8.3 (1)	137.6 (4)	22.0 (2)	827.6 (3)	432.8 (5)
France	224.5 (3)	15.0 (1)	236.8 (4)	135.7 (3)	2,332.5 (4)	374.4 (9)
Spain	64.3 (2)	–	–	–	–	82.0 (1)
South Africa	–	–	–	–	–	49.5 (1)
Ireland	–	95.0 (1)	–	150.0 (1)	103.5 (1)	43.8 (2)
Venezuela	–	–	–	–	290.0 (1)	–
Belgium	–	–	46.0 (2)	–	116.5 (1)	–
Brazil	5.6 (1)	–	–	–	72.0 (1)	–
South Korea	60.0 (1)	–	–	–	13.4 (1)	–
Finland	–	–	3.7 (1)	108.3 (2)	12.3 (1)	–
New Zealand	242.0 (1)	–	36.0 (1)	–	10.2 (1)	–
Israel	–	10.0 (1)	8.0 (1)	–	2.6 (1)	–
Bermuda	–	39.7 (1)	–	215.0 (1)	1.2 (1)	–
Singapore	–	–	–	50.0 (1)	–	–
Denmark	–	–	113.0 (1)	1.3 (1)	–	–
Argentina	–	–	–	–	–	–
Norway	–	–	45.0 (1)	–	–	–
Philippines	–	–	–	–	–	–
Bahamas	–	–	24.8 (1)	–	–	–
Bahrain	–	–	70.0 (1)	–	–	–
Colombia	50.0 (1)	–	–	–	–	–
Greece	–	–	23.0 (1)	–	–	–
Kuwait	150.0 (1)	–	340.0 (1)	–	–	–
Malaysia	–	–	71.0 (1)	–	–	–
Mexico	11.8 (1)	–	–	–	–	–
Puerto Rico	–	11.4 (1)	–	–	–	–
Saudi Arabia	–	–	–	–	–	–
Trinidad	–	–	175.0 (1)	–	–	–
Undisclosed	40.0 (1)	–	–	–	–	–
Totals	$5,105.9 (81)	$5,927.5 (59)	$15,131.8 (85)	$10,883.9 (80)	$24,511.3 (156)	$40,366.0 (128)

*Base: The number of transactions disclosing a purchase price.

Source: W.T. Grimm & Co.

FOREIGN SELLERS

American purchases of foreign businesses declined 21% in 1987, to 142. The slump reflected not only the slower pace of acquisitions and mergers overall, but also the weakness of the dollar against foreign currencies and retrenchment of American businesses in their own market.

Unlike the statistics in the W.T. Grimm & Co. Composition Categories (Figures 3, 4, 7 and 8), transactions in this section refer to all sales of foreign companies and units of foreign companies. Figure 18 divides the 142 announced U.S. acquisitions of foreign businesses into acquisitions of companies and divestitures of corporate units.

U.S. ACQUISITIONS OF FOREIGN BUSINESSES — NUMBER OF TRANSACTIONS 1980 — 1987

	Acquisitions of		Divestitures of		Total
	Controlling Interests	Minority Interests	Foreign-Based Units	U.S.-Based Units	Foreign Sellers
1980	62	15	18	7	102
1981	67	14	9	11	101
1982	69	15	22	15	121
1983	95	15	17	19	146
1984	81	16	28	22	147
1985	89	17	37	32	175
1986	93	8	36	43	180
1987	84	6	27	25	142

Source: W.T. Grimm & Co.

Figure 18.

As shown in Figure 19 on page 56, W.T. Grimm & Co. recorded 16 1987 transactions with foreign sellers where the purchase price was $100 million or more. These 16 deals are listed in the 100-Million-Dollar Club beginning on page 13 and can be identified by the country listed after the name of the selling company.

Five of these transactions were acquisitions of an entire foreign company and are listed in the 100-Million-Dollar Club as "Foreign Sellers." The other 11 transactions were acquisitions of units of foreign sellers, and are included as "Divestitures" in the 100-Million-Dollar Club.

Although the number of U.S. acquisitions of foreign businesses dropped in 1987, the total of all such transactions of $100 million or more hit a new high of 16. Two of those deals — Amoco's acquisition of Dome Petroleum and JMB Realty's purchase of Cadillac Fairview — were valued at more than $1 billion, and represented the first- and third-largest acquisitions of foreign companies by U.S. firms in history.

As a result of the lofty purchase prices, the total dollar value of all U.S. acquisitions of foreign businesses more than doubled in 1987, to nearly $11 billion — representing approximately a third of all such acquisitions in the past 12 years combined.

U.S. ACQUISITIONS OF FOREIGN BUSINESSES — TOTAL DOLLAR VALUE 1972 — 1987

Year	Total Transactions	Transactions Valued at $100MM or more	Transactions Valued at $1,000MM or more	Total Dollar Value Paid (millions of dollars)	Base*
1972	531	2	—	#	
1973	323	—	—	#	
1974	257	—	—	#	
1975	178	—	—	$ 433.2	48
1976	126	1	—	887.1	44
1977	112	2	—	951.6	48
1978	98	1	—	680.3	36
1979	119	4	—	1,475.5	34
1980	102	4	1	3,779.7	26
1981	101	3	—	1,073.0	34
1982	121	3	—	770.1	31
1983	146	9	—	2,490.8	41
1984	147	8	—	2,550.0	48
1985	175	3	—	1,449.1	46
1986	180	12	1	5,154.7	61
1987	142	16	2	10,962.6	55
TOTAL	2,858	68	4	32,657.7	552

Data not collected in that year.

* Base: The number of transactions disclosing a purchase price.

Source: W.T. Grimm & Co.

(The W.T. Grimm & Co. Research Department started monitoring U.S. acquisitions of foreign companies in 1972.)

Figure 19.

Historical Note

U.S. purchases of foreign companies plunged 82% from 531 in 1972 to 98 in 1978. Having traditionally invested capital and technology during the 1960s to develop industries in other nations, the United States entered the '70s only to confront a variety of domestic economic problems requiring the full attention and diligence of American companies. Rising inflation, recession, tight money, lower earnings, growing unemployment, mounting Federal deficits, all forced U.S. corporate managements to concentrate on ensuring economic survival of their businesses. Furthermore, the weakened dollar and a flurry of nationalizations of foreign investments in certain countries hindered any further American investments abroad.

The number of foreign sellers in each of the W.T. Grimm & Co. industry classifications appears on page 57, followed by a dollar breakdown on page 58. A listing of 1987's foreign sellers by country appears on page 59. Totals for the previous nine years are also provided. A tabulation by dollars per country for the last six years appears on page 60.

INDUSTRIES ATTRACTING AMERICAN BUYERS
1983 — 1987

Seller Industry Category	Number of Transactions					Five-Year Cumulative
	1983	1984	1985	1986	1987	
Food Processing	5	4	9	7	13	38
Chemicals, Paints & Coatings	6	5	7	6	13	37
Miscellaneous Services	13	7	16	12	11	59
Drugs, Medical Supplies & Equipment	8	9	10	7	9	43
Retail	2	2	4	9	9	26
Printing & Publishing	3	5	3	6	7	24
Wholesale & Distribution	8	10	13	11	7	49
Instruments & Photographic Equipment	3	7	2	3	6	21
Industrial & Farm Equipment & Machinery	8	13	10	6	5	42
Fabricated Metal Products	4	1	2	2	4	13
Autos & Trucks	–	–	2	3	4	9
Electrical Equipment	4	2	3	2	4	15
Insurance	4	6	2	7	4	23
Computer Software Supplies & Services	3	5	4	10	4	26
Packaging & Containers	2	–	1	1	3	7
Plastics & Rubber	4	1	3	–	3	11
Automotive Products & Accessories	1	3	6	6	3	19
Broadcasting	1	–	5	3	3	12
Agricultural Production	1	1	1	–	2	5
Building Products & Materials	–	3	1	3	2	9
Household Goods	1	2	5	4	2	14
Toiletries & Cosmetics	3	–	3	2	2	10
Electronics	3	9	5	4	2	23
Toys & Recreational Products	1	–	–	3	2	6
Oil & Gas	5	6	4	4	2	21
Transportation	1	1	–	6	2	10
Real Estate	–	–	–	–	2	2
Construction Contractors & Engineering Services	5	3	1	1	2	12
Beverages	1	1	1	2	1	6
Textiles	1	2	2	4	1	10
Paper	1	2	–	3	1	7
Furniture	–	–		1	1	2
Stone, Clay & Glass	2	4	1	4	1	12
Office Equipment & Computer Hardware	6	2	1	4	1	14
Communications	–	–	2	1	1	4
Banking & Finance	8	5	7	5	1	26
Brokerage Investment & Management Consulting Services	2	10	6	6	1	25
Health Services	–	1	2	1	1	5
Apparel	3	1	–	5	–	9
Timber & Forest Products	–	–	–	–	–	–
Primary Metal Processing	5	2	2	2	–	11
Construction, Mining & Oil Field Machinery & Equipment	1	2	–	2	–	5
Valves, Pumps & Hydraulics	4	4	7	3	–	18
Aerospace, Aircraft & Defense	1	–	2	–	–	3
Miscellaneous Manufacturing	4	1	5	1	–	11
Mining & Minerals	–	1	2	1	–	4
Electric, Gas, Water & Sanitary Services	4	1	1	2	–	8
Energy Servcies	–	–	2	–	–	2
Leisure & Entertainment	3	3	8	4	–	18
Conglomerate	1	–	2	1	–	4
Totals	146	147	175	180	142	790

Source: W.T. Grimm & Co.

FOREIGN SELLERS
INDUSTRY DOLLAR TOTAL
1983 — 1987

Seller Industry Category	Total Dollar Value (Base*) 1983	1984	1985	1986	1987
Oil & Gas	$ 109.0 (2)	$ 908.0 (5)	$ 36.9 (3)	$ 110.3 (3)	$ 4,870.0 (2)
Real Estate	–	–	–	–	2,099.4 (2)
Food Processing	105.0 (1)	95.5 (3)	70.0 (2)	8.1 (1)	600.0 (1)
Toiletries & Cosmetics	23.7 (2)	–	–	3.0 (1)	550.0 (2)
Insurance	168.6 (2)	266.0 (2)	55.5 (2)	109.1 (3)	515.0 (1)
Chemicals, Paints & Coatings	–	132.3 (2)	41.2 (1)	36.0 (2)	406.3 (6)
Retail	4.1 (1)	30.1 (1)	55.0 (1)	295.0 (2)	366.0 (4)
Printing & Publishing	8.2 (1)	52.0 (1)	59.3 (2)	–	202.1 (4)
Beverages	–	43.3 (1)	–	90.0 (1)	200.0 (1)
Autos & Trucks	–	–	–	31.6 (1)	135.0 (1)
Packaging & Containers	–	–	–	–	130.0 (1)
Building Products & Materials	–	19.7 (2)	–	12.0 (1)	107.4 (2)
Health Services	–	20.0 (1)	13.8 (1)	23.0 (1)	95.0 (1)
Computer Software Supplies & Services	4.2 (1)	101.7 (1)	20.3 (2)	111.6 (2)	85.1 (2)
Brokerage Investment & Management Consultation Services	29.7 (1)	123.5 (3)	157.6 (2)	26.0 (1)	75.8 (1)
Miscellaneous Services	53.0 (2)	30.9 (2)	92.5 (1)	102.3 (4)	67.0 (3)
Drugs, Medical Supplies & Equipment	316.5 (2)	3.4 (2)	2.0 (1)	112.7 (3)	59.4 (3)
Fabricated Metal Products	10.0 (1)	–	1.1 (1)	–	52.5 (2)
Paper	28.2 (1)	–	–	235.7 (2)	43.0 (1)
Toys & Recreational Products	–	–	–	62.0 (1)	42.5 (2)
Broadcasting	55.0 (1)	–	67.0 (2)	–	41.5 (1)
Banking & Finance	880.7 (5)	99.0 (3)	43.2 (2)	1,380.0 (2)	40.0 (1)
Stone, Clay & Glass	–	6.6 (2)	–	–	35.0 (1)
Plastics & Rubber	–	–	–	–	27.5 (1)
Transportation	–	–	–	214.8 (3)	27.0 (1)
Textiles	119.0 (1)	15.4 (2)	6.1 (1)	22.1 (3)	24.4 (1)
Electronics	–	3.5 (1)	61.1 (3)	10.4 (1)	20.0 (1)
Construction Contractors & Engineering Services	12.8 (1)	81.0 (1)	–	–	18.6 (2)
Wholesale & Distribution	–	–	34.7 (3)	3.7 (1)	12.6 (2)
Household Goods	32.0 (1)	327.0 (1)	15.0 (1)	187.4 (3)	11.5 (1)
Electrical Equipment	14.1 (2)	–	14.0 (1)	90.0 (1)	3.0 (1)
Agricultural Production	–	95.5 (1)	42.5 (1)	–	–
Apparel	–	–	–	47.6 (3)	–
Timber & Forest Products	–	–	–	–	–
Furniture	–	–	–	11.5 (1)	–
Primary Metal Processing	–	–	–	23.0 (1)	–
Industrial & Farm Equipment & Machinery	16.7 (3)	7.7 (2)	22.0 (1)	14.4 (2)	–
Construction, Mining & Oil Field Machinery & Equipment	–	57.4 (2)	–	–	–
Valves, Pumps & Hydraulics	183.0 (2)	1.6 (1)	25.4 (2)	–	–
Automotive Products & Accessories	–	–	140.0 (2)	255.0 (2)	–
Office Equipment & Computer Hardware	275.7 (3)	4.9 (2)	4.0 (1)	–	–
Aerospace, Aircraft & Defense	–	–	116.3 (1)	–	–
Instruments & Photographic Equipment	–	11.0 (2)	–	23.0 (1)	–
Miscellaneous Manufacturing	13.3 (1)	–	15.0 (1)	–	–
Mining & Minerals	–	–	23.7 (1)	4.3 (1)	–
Communications	–	–	–	141.7 (1)	–
Electric, Gas, Water & Sanitary Services	9.0 (1)	1.0 (1)	–	80.0 (2)	–
Energy Services	–	–	–	–	–
Leisure & Entertainment	18.9 (2)	12.0 (1)	162.0 (2)	1,202.4 (3)	–
Conglomerate	0.4 (1)	–	51.9 (2)	75.0 (1)	–
Totals	$2,490.8 (41)	$2,550.0 (48)	$1,449.1 (46)	$5,154.7 (61)	$10,962.6 (55)

*Base: The number of transactions disclosing a purchase price.

Source: W.T. Grimm & Co.

FOREIGN SELLERS
NUMBER OF TRANSACTIONS BY COUNTRY
1978 — 1987

Country of Seller	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	Ten-Year Cumulative
United Kingdom	29	35	38	27	30	39	45	44	50	41	378
Canada	23	15	15	8	30	35	24	42	54	31	277
West Germany	7	10	7	11	12	13	13	15	13	11	112
Italy	–	4	2	3	2	6	6	13	4	10	50
France	3	17	8	12	8	8	15	16	12	9	108
Netherlands	5	4	3	6	3	8	3	7	5	7	51
Sweden	2	1	1	2	–	1	3	3	2	5	20
Australia	8	6	7	7	6	3	6	7	7	5	62
Hong Kong	3	2	–	–	4	1	4	–	3	3	20
Belgium	1	1	1	1	2	1	3	3	6	2	21
Switzerland	2	1	2	1	10	11	3	5	5	2	42
Brazil	2	2	3	4	2	2	3	2	1	2	23
Denmark	2	2	–	2	–	1	2	–	–	2	11
Spain	1	7	5	3	–	3	6	3	4	2	34
Finland	–	–	–	–	–	1	–	–	–	1	2
Norway	1	–	–	–	–	–	1	–	–	1	3
Ireland	–	–	–	–	–	–	–	–	2	1	3
Puerto Rico	–	–	–	1	1	2	–	1	2	1	8
Argentina	–	1	1	2	–	1	–	–	–	1	6
New Zealand	–	1	–	–	–	–	2	1	–	1	5
Columbia	–	1	–	–	–	–	–	–	–	1	2
Japan	1	2	–	–	3	3	7	7	2	–	25
South Korea	–	1	1	–	1	–	–	–	2	–	5
Bermuda	–	–	–	–	–	–	–	–	2	–	2
Mexico	–	2	3	4	1	1	–	1	1	–	13
Israel	1	–	–	2	–	–	–	–	1	–	4
Philippines	1	–	–	–	–	–	–	–	1	–	2
Virgin Islands	–	–	–	–	–	–	–	–	1	–	1
Taiwan	–	1	–	1	–	2	–	2	–	–	6
Panama	–	–	–	–	–	–	–	1	–	–	1
Singapore	–	–	–	–	–	–	–	1	–	–	1
Turkey	–	–	–	–	–	–	–	1	–	–	1
Austria	1	1	–	1	1	1	–	–	–	–	5
Barbados	–	–	1	–	–	–	–	–	–	–	1
Chile	1	–	–	1	–	–	–	–	–	–	2
Dominican Republic	–	–	1	–	–	–	–	–	–	–	1
Greece	1	–	–	–	1	–	–	–	–	–	2
Haiti	–	–	–	–	–	1	–	–	–	–	1
Jamaica	1	–	–	–	–	–	–	–	–	–	1
Jordan	1	–	–	–	–	–	–	–	–	–	1
Liechtenstein	–	–	–	–	–	–	1	–	–	–	1
Luxembourg	–	–	–	–	1	–	–	–	–	–	1
Malaysia	–	–	–	–	1	–	–	–	–	–	1
Nigeria	–	–	1	–	–	–	–	–	–	–	1
Peru	–	–	1	–	–	–	–	–	–	–	1
South Africa	–	1	–	–	1	–	–	–	–	–	2
Sri Lanka	–	–	–	–	–	1	–	–	–	–	1
Uruguay	–	1	–	–	–	–	–	–	–	–	1
Venezuela	–	–	–	2	–	1	–	–	–	–	3
Zimbabwe	–	–	–	–	1	–	–	–	–	–	1
Undisclosed	1	–	1	–	–	–	–	–	–	3	5
Total Foreign Sellers	98	119	102	101	121	146	147	175	180	142	1,331

Source: W.T. Grimm & Co.

FOREIGN SELLERS
DOLLAR TOTAL BY COUNTRY
1982 — 1987

Country of Seller	Total Dollar Value (Base*) 1982	1983	1984	1985	1986	1987
Canada	$ 89.3 (9)	$ 398.6 (11)	$1,191.0 (14)	$ 348.2 (11)	$ 457.8 (13)	$ 7,275.3 (18)
United Kingdom	367.6 (11)	656.5 (16)	554.8 (16)	721.9 (18)	3,452.9 (27)	1,241.3 (20)
Australia	–	–	339.6 (3)	111.7 (3)	189.4 (4)	690.0 (1)
Netherlands	–	180.2 (3)	–	96.2 (3)	9.0 (1)	627.0 (2)
West Germany	13.2 (3)	6.7 (1)	120.4 (2)	56.0 (3)	172.0 (2)	447.5 (3)
Sweden	–	–	4.9 (1)	–	–	216.0 (1)
New Zealand	–	–	–	–	–	165.0 (1)
France	43.0 (1)	–	110.1 (4)	27.1 (4)	32.8 (3)	162.0 (2)
Italy	55.0 (1)	288.2 (2)	–	17.8 (1)	300.0 (1)	34.0 (2)
Switzerland	178.0 (3)	565.4 (3)	18.7 (2)	–	248.2 (2)	31.0 (1)
Hong Kong	8.3 (1)	–	180.8 (3)	–	–	25.1 (1)
Finland	–	3.0 (1)	–	–	–	20.0 (1)
Ireland	–	–	–	–	6.7 (1)	16.0 (1)
Norway	–	–	–	–	–	12.4 (1)
Puerto Rico	2.2 (1)	55.0 (1)	–	–	166.7 (2)	–
Japan	–	313.5 (1)	7.0 (1)	22.0 (1)	62.0 (1)	–
Bermuda	–	–	–	–	23.7 (2)	–
Brazil	–	–	20.0 (1)	–	23.0 (1)	–
Israel	–	–	–	–	10.4 (1)	–
Belgium	–	–	–	40.0 (1)	–	–
Turkey	–	–	–	8.2 (1)	–	–
Mexico	–	6.5 (1)	–	–	–	–
Spain	–	17.2 (1)	–	–	–	–
Argentina	–	–	–	–	–	–
Denmark	–	–	2.7 (1)	–	–	–
Zimbabwe	13.5 (1)	–	–	–	–	–
Totals	$ 770.1 (31)	$2,490.8 (41)	$2,550.0 (48)	$1,449.1 (46)	$5,154.6 (61)	$10,962.6 (55)

*Base: The number of transactions disclosing a purchase price.

Source: W.T. Grimm & Co.

ACQUISITION LEADERS

Only 18 companies ranked among the most aggressive divesters of 1987 by announcing acquisitions of five or more companies. That number compares to 60 listed in 1986. (Private investor groups are excluded from the total.) The 18 leaders for 1987 accounted for a total of 112 acquisitions, or less than 6% of all 1987 merger-acquisition activities, representing a substantial decline from 1986, when aggressive buyers acquired 397 companies, accounting for 12% of all activity.

Nine of 1987's acquisition leaders also were included on the 1986 aggressive buyer roster: Borden, Masco, ConAgra, Kraft, Ryder System, IC Industries, First Union Corp., Ford and Sudbury Holdings.

The 18 aggressive buyers of 1987 and the number of recorded acquisition proposals announced by each are indicated here, along with the types of product lines or businesses they acquired.

AGGRESSIVE BUYERS

1987

Company	Number of Acquisitions	Product Lines and/or Businesses Acquired
*Borden Inc.	11	food processing
*Masco Corp.	10	household furnishings, auto parts
*ConAgra Inc.	7	food processing, meat packing
*Kraft Inc.	7	food service & distribution
First of America Bank Corp.	7	banking
*Ryder System Inc.	7	aircraft repair, transportation
Ashland Oil Inc.	6	distributors & suppliers of chemicals
Dominion Bankshares Corp.	6	bank holding companies
*IC Industries Inc.	6	food processing, beverages, industrial equipment, automotive brakes
Alco Standard Corp.	5	office equipment leasing, carton-sealing tapes
Cablevision Systems Corp.	5	cable systems, electronic components
Computer Sciences Corp.	5	consumer finance, credit bureau
Ecolab Inc.	5	cleaning systems & services
*First Union Corp.	5	banking
*Ford Motor Co.	5	luxury cars, leasing, banking, farm equipment
H.J Heinz Co.	5	food processing
*Sudbury Holdings Inc.	5	primary metal processing, machine components
Suntrust Banks Inc.	5	banking

**These companies were also included in the 1986 aggressive buyer roster.*

Figure 20 offers a list of the 31 most aggressive acquirers of the past nine years, excluding private investor groups. Each of these buyers acquired at least 25 companies since 1979.

AGGRESSIVE BUYERS

1979 — 1987

Company	Number of Acquisitions									Nine-Year Total
	1979	1980	1981	1982	1983	1984	1985	1986	1987	
Merrill Lynch & Co.	1	7	9	8	6	4	14	1	–	50
ConAgra Inc.	2	3	4	3	3	8	8	8	7	46
W.R. Grace & Co.	8	10	5	2	3	4	4	7	2	45
General Electric Co.	4	6	8	3	6	4	3	6	4	44
Kraft Inc.	–	–	2	2	2	6	8	17	7	44
National Medical Enterprises Inc.	2	2	10	5	4	13	3	1	1	41
Security Pacific Corp.	1	1	3	8	7	8	5	6	2	41
American Express Co.	3	4	5	7	5	4	6	4	3	41
Banc One Corp.	1	3	6	4	3	–	8	10	3	38
Centel Corp.	3	5	10	4	–	3	3	5	1	34
Ryder System Inc.	–	–	2	2	3	4	9	7	7	34
Alco Standard Corp.	2	2	9	–	6	4	2	3	5	33
Allied Bancshares Corp.	6	5	10	4	7	–	–	–	–	32
Dun & Bradstreet Corp.	3	2	–	1	4	12	6	3	1	32
McGraw Hill Inc.	5	1	–	3	2	7	3	7	4	32
Minnesota Mining & Manufacturing Co.	5	1	4	6	1	3	3	4	3	30
Masco Corp.	1	1	2	4	1	1	4	6	10	30
Allied Signal Inc.	1	7	8	2	3	2	3	–	3	29
MacMillan Inc.	–	–	–	2	3	7	5	8	4	29
Gannett Co. Inc.	6	2	4	4	–	2	5	4	1	28
Barnett Banks of Florida Inc.	2	3	2	4	4	4	2	5	2	28
American Hospital Supply Corp.	1	4	3	8	5	2	3	1	–	27
Borden Inc.	1	1	2	2	1	1	3	5	11	27
IC Industries Inc.	1	–	1	3	2	3	3	8	6	27
General Signal Corp.	2	5	4	1	6	2	3	3	–	26
Continental Telecom Inc.	2	2	3	4	3	1	5	3	3	26
Coca-Cola Co.	1	1	–	3	–	3	8	7	3	26
Allegheny Beverage Corp.	–	1	–	–	6	15	3	–	–	25
Automatic Data Processing Inc.	4	4	6	1	3	1	5	–	1	25
Chase Manhattan Corp.	1	–	–	2	3	3	13	2	1	25
First Union Corp.	–	1	2	1	3	–	6	7	5	25
Totals	69	84	124	103	105	131	156	148	100	1,020

Source: W.T. Grimm & Co.

Figure 20.

DIVESTITURES

Divestitures — the sales of product lines, subsidiaries or divisions — accounted for 807 transactions, or 40% of all merger and acquisition activity in 1987. As shown in Figure 21, the actual number of divestitures in 1987 was the lowest since 1980, but the number as a percentage of all transactions was the third highest since 1977.

The decline in numbers of divestitures announced in 1987 led to a drop in the total dollar value to $58.3 billion (see Figure 22). However, the average purchase price among divestitures for which a purchase price was disclosed rose $39.8 million to a record $150.2 million.

As U.S. corporations have reevaluated their business mix and the profitability of their business units, divestitures, particularly of non-core businesses, have become an accepted part of corporate strategy. Armed with renewed emphasis on efficiency, tighter control and product quality, companies have divested slow-growing, cash-draining and unrelated business units and, in turn, refocused on the businesses they know best. Among the divestitures of 1987, there is a noticeable tendency for diversified companies to sell off units unrelated to their core businesses — and for those units to be acquired by companies in related areas.

DIVESTITURES
1965—1987

Year	Number	Percent of all Transactions	Year	Number	Percent of all Transactions
1965	191	9%	1976	1,204	53%
1966	264	11%	1977	1,002	45%
1967	328	11%	1978	820	39%
1968	557	12%	1979	752	35%
1969	801	13%	1980	666	35%
1970	1,401	27%	1981	830	35%
1971	1,920	42%	1982	875	37%
1972	1,770	37%	1983	932	37%
1973	1,557	39%	1984	900	36%
1974	1,331	47%	1985	1,218	41%
1975	1,236	54%	1986	1,259	38%
			1987	807	40%

Source: W. T. Grimm & Co.

Figure 21.

Historical Note

Divestitures as a percentage of all transactions accelerated in the aftermath of the conglomerate era of the late '60s and peaked in 1975-1976 as the recession of 1974-75 compelled many companies to raise capital by selling certain business segments. During the '80s, disenchantment with diversification and changing economic conditions have caused an increase in divestment activities. The diverse holdings intended to help companies balance gains and losses during recessionary periods have proven of little value. Companies committed to maximizing their return to shareholders have narrowed their business focus to areas providing the highest returns.

DIVESTITURES
TOTAL DOLLAR VALUE PAID
1981—1987

	Total Dollar Value Paid (millions of dollars)	Base*	Transactions Valued At $100MM or More	Transactions Valued At $1,000MM or More	Average Purchase Price
1981	$ 16,695.6	366	37	-	$ 45.6
1982	16,050.3	317	41	-	50.6
1983	24,173.9	376	53	2	64.3
1984	29,379.0	401	83	3	73.3
1985	45,825.6	525	120	6	87.3
1986	59,926.9	543	146	9	110.4
1987	58,290.6	388	137	11	150.2
TOTAL	250,341.9	2916	617	31	

*Base: The number of transactions disclosing a purchase price.

Source: W. T. Grimm & Co.

Figure 22.

A continued trend toward larger divestitures is shown in Figure 23. The higher purchase prices also reflect a willingness among buyers to pay high prices for existing businesses in familiar business segments, and among sellers to part with major units if they are underperforming or non-core businesses.

VALUE OF DIVESTITURES
1981—1987

	Number (Percent of Transactions Disclosing Price)						
Price Paid Value	1981	1982	1983	1984	1985	1986	1987
$ 5 million or less	106 (29%)	82 (26%)	108 (29%)	69 (17%)	104 (20%)	76 (14%)	29 (7%)
$ 5.1 - 10.0 million	66 (18%)	60 (19%)	55 (15%)	54 (13%)	69 (13%)	60 (11%)	24 (6%)
$10.1 - 15.0 million	39 (11%)	32 (10%)	30 (8%)	32 (8%)	50 (10%)	45 (8%)	27 (7%)
$15.1 - 25.0 million	38 (10%)	30 (9%)	34 (9%)	47 (12%)	47 (9%)	74 (14%)	42 (11%)
$25.1 - 50.0 million	51 (14%)	37 (12%)	57 (15%)	65 (16%)	70 (13%)	76 (14%)	73 (19%)
$50.1 - 99.9 million	29 (8%)	35 (11%)	39 (10%)	51 (13%)	65 (12%)	66 (12%)	57 (15%)
$100 million or more	37 (10%)	41 (13%)	53 (14%)	83 (21%)	120 (23%)	146 (27%)	137 (35%)
Base*	366	317	376	401	525	543	388

*Base: Number of transactions disclosing a price.

Source: W. T. Grimm & Co.

Figure 23.

Figure 24 lists 1987's most aggressive dive ers, the 14 companies that divested five or more units. Together these 14 companies divested a total of 92 units.

AGGRESSIVE DIVESTERS

1987

Selling Parent Company	Number of Divestitures
Allegheny International Inc.	9
Allied-Signal Inc.	9
Campeau Corp.	9
Quaker Oats Co.	8
Textron Inc.	8
Lear Siegler Inc.	7
General Electric Co.	6
Safeway Stores Inc.	6
GenCorp Inc.	5
Goodyear Tire & Rubber Co.	5
Rexnord Inc.	5
RJR Nabisco Inc.	5
Whittaker Corp.	5
Wickes Cos. Inc.	5
TOTAL	92

Source: W. T. Grimm & Co.

Figure 24.

Of the 14 most aggressive divesters of 1987, five — Allegheny International, General Electric, Lear Siegler, RJR Nabisco and Wickes Cos. — also appeared on the 1986 roster of aggressive divesters.

AGGRESSIVE DIVESTERS
1979—1987

Selling Parent Company	Number of Divestitures									Nine-Year Total
	1979	1980	1981	1982	1983	1984	1985	1986	1987	
Beatrice Cos.	6	1	7	3	9	12	10	10	2	60
ITT Corp.	4	8	6	2	2	5	7	4	1	39
Allegheny International Inc.	2	2	1	7	4	2	6	6	9	39
Allied-Signal Inc.	5	2	3	5	8	5	2	-	9	39
General Electric Co.	2	-	1	4	12	3	3	7	6	38
Union Carbide Corp.	3	5	3	-	1	4	5	5	-	26
Wickes Cos. Inc.	1	1	3	4	4	2	1	5	5	26
Armco Inc.	-	2	3	-	3	2	6	8	1	25
DuPont Co.	2	-	-	8	6	3	-	4	2	25
Sara Lee Corp.	4	3	2	-	3	1	8	2	2	25
Textron Inc.	-	-	4	-	-	-	10	3	8	25
Sequa Corp.	3	2	-	3	7	2	5	1	1	24
CBS Inc.	1	3	-	2	2	-	9	5	2	24
IC Industries Inc.	1	1	2	3	2	-	7	4	3	23
RJR Nabisco Inc.	1	2	1	-	2	1	2	9	5	23
Metromedia Inc.	2	2	2	5	2	2	2	5	-	22
Westinghouse Electric Corp.	1	-	3	4	4	5	2	3	-	22
Control Data Corp.	1	-	-	-	3	1	7	7	1	20
Atlantic Richfield Co.	1	2	1	-	3	2	5	4	2	20
Times Mirror Co.	-	2	2	1	1	2	5	5	1	19
Litton Industries Inc.	-	-	1	-	3	5	8	1	-	18
Monsanto Co.	2	-	2	-	3	-	5	5	-	17
Ashland Oil Co.	2	1	3	1	2	2	6	-	-	17
Xerox Corp.	-	-	2	-	4	1	6	3	1	17
Whittaker Corp.	-	1	-	-	5	1	1	4	5	17
Reichhold Chemicals Inc.	-	-	1	-	2	-	10	3	-	16
United Technologies Corp.	2	1	1	3	1	-	5	2	1	16
Texaco Inc.	-	-	1	-	-	8	6	-	-	15
Sun Co. Inc.	-	2	5	3	2	2	-	1	-	15
Lear Siegler Inc.	-	1	-	-	-	-	2	5	7	15
Quaker Oats Co.	-	1	1	1	-	2	2	-	8	15
Totals	46	45	61	59	100	75	153	121	82	742

Source: W. T. Grimm & Co.

Figure 25.

The most aggressive divesters over a nine-year period are listed in Figure 25. The list contains 31 companies that divested 15 or more units over the last nine years, for a combined total of 742 divestitures. That number represents 9% of all divestitures during that period.

Divestiture totals for each of the 50 industry classifications are provided below.

DIVESTITURES
INDUSTRY CLASSIFICATIONS
1983—1987

Selling Industry Category	Number of Divestitures					Five-Year Cumulative
	1983	1984	1985	1986	1987	Total
Agricultural Production	7	10	6	5	3	31
Food Processing	27	29	36	46	27	165
Beverages	5	8	8	14	18	53
Apparel	6	6	10	10	8	40
Textiles	6	6	8	9	8	37
Timber & Forest Products	3	2	1	1	1	8
Paper	6	10	15	9	4	44
Packaging & Containers	20	16	15	15	7	73
Furniture	8	5	2	8	4	27
Building Products & Materials	11	10	14	15	5	55
Household Goods	14	17	15	17	4	67
Printing & Publishing	28	24	43	53	29	177
Chemicals, Paints & Coatings	37	43	53	51	35	219
Drugs, Medical Supplies & Equipment	20	19	42	58	33	172
Toiletries & Cosmetics	6	5	3	5	8	27
Plastics & Rubber	23	19	10	16	10	78
Stone, Clay & Glass	16	17	10	17	9	69
Primary Metal Processing	28	30	26	28	12	124
Fabricated Metal Products	35	25	31	35	26	152
Industrial & Farm Machinery & Equipment	55	47	65	50	27	244
Construction, Mining & Oil Field Equipment	8	7	5	14	13	47
Valves, Pumps & Hydraulics	12	7	16	11	9	55
Autos & Trucks	1	1	3	4	4	13
Automotive Products & Accessories	8	11	14	21	15	69
Electrical Equipment	31	22	29	27	26	135
Office Equipment & Computer Hardware	30	17	19	21	18	105
Electronics	24	18	23	31	24	120
Aerospace, Aircraft & Defense	7	4	11	10	19	51
Instruments & Photographic Equipment	27	25	33	36	26	147
Toys & Recreational Products	5	9	10	13	9	46
Miscellaneous Manufacturing	19	16	19	5	9	68
Oil & Gas	33	37	40	23	13	146
Mining & Minerals	9	6	11	7	6	39
Transportation	12	17	13	19	13	74
Communications	4	5	17	21	9	56
Broadcasting	44	59	75	86	48	312
Electrical, Gas, Water & Sanitary Services	14	3	8	7	4	36
Wholesale & Distribution	30	37	69	44	27	207
Retail	42	45	61	76	64	288
Banking & Finance	45	45	67	56	32	245
Insurance	25	32	39	45	22	163
Real Estate	8	5	12	9	2	36
Brokerage, Investment & Management Consulting Services	14	25	25	14	7	85
Computer Software, Supplies & Services	26	26	56	59	18	185
Construction Contractors & Engineering Services	9	9	12	13	11	54
Energy Services	8	6	10	5	1	30
Health Services	10	11	19	17	11	68
Leisure & Entertainment	15	15	29	38	19	116
Miscellaneous Services	51	30	59	62	49	251
Conglomerate	—	2	1	3	1	7
Total Divestitures	932	900	1,218	1,259	807	5,116

Source: W. T. Grimm & Co.

As shown in Figure 26, divestitures accounted for more than half of merger and acquisition activity in 19 of the 50 seller-based industry categories.

INDUSTRIES WITH MOST DIVESTITURES
1987

Seller Industry Classification	Total Transactions	Divestitures	Divestitures as a % of all Activity
Beverages	19	18	95%
Miscellaneous Manufacturing	10	9	90%
Mining & Minerals	8	6	75%
Broadcasting	64	48	75%
Valves, Pumps & Hydraulics	13	9	69%
Fabricated Metal Products	40	26	65%
Automotive Products & Accessories	24	15	63%
Aerospace, Aircraft & Defense	30	19	63%
Construction, Mining & Oil Field Machinery & Equipment	21	13	62%
Insurance	38	22	58%
Textiles	14	8	57%
Electronics	43	24	56%
Primary Metal Processing	22	12	55%
Timber & Forest Products	2	1	50%
Paper	8	4	50%
Chemicals, Paints & Coatings	70	35	50%
Toiletries & Cosmetics	16	8	50%
Stone, Clay & Glass	18	9	50%
Autos & Trucks	8	4	50%

Source: W. T. Grimm & Co.

Figure 26.

The W.T. Grimm & Co. Research Department categorizes all types of unit management buyouts and minority interest purchases as Divestitures. Figures 27, 28, 29 and 30 provide detailed information on both categories of transactions.

The 137 divestitures valued at $100 million or more are listed in the 100-Million-Dollar Club beginning on page 13.

Minority Interest Purchases

The W.T. Grimm & Co. Research Department records divestitures involving the acquisition of 10-50% of a company's common shares outstanding where the acquiring company agrees to buy a specific number of those shares either directly from the seller or through a tender offer. Open-market and third-party minority purchases are not included.

As shown in Figure 27, there were 47 minority interest purchases announced in 1987, representing nearly 6% of all announced Divestitures.

Minority Interest Purchases
1980 — 1987

	Public Sellers	Private Sellers	Foreign Sellers	Totals
1980	9	23	15	47
1981	26	23	14	63
1982	12	28	15	55
1983	6	28	15	49
1984	10	36	16	62
1985	26	39	17	82
1986	28	53	10	91
1987	22	19	6	47

Source: W. T. Grimm & Co.

Figure 27.

Unit Management Buyouts*

Unit sales to management accounted for 90 of the 807 divestitures in 1987 — a drop of more than 37% from 1986, but a consistent 11% of total divestitures. The 1987 figures demonstrate the continued favor of MBOs, which have developed as a major trend in acquisitions and mergers activity during the 1980s.

UNIT MANAGEMENT BUYOUTS
1978—1987

Year	Divestitures	Management Buyouts	Percent of Total Divestitures
1978	820	49	6%
1979	752	59	8%
1980	666	47	7%
1981	830	83	10%
1982	875	115	13%
1983	932	139	15%
1984	900	122	14%
1985	1,218	132	11%
1986	1,259	144	11%
1987	807	90	11%

Source: W. T. Grimm & Co.

Figure 28.

As the total dollar value paid for unit management buyouts fell in 1987, the average price for transactions that reported a purchase price also slipped, to $138.5 million. As Figure 29 indicates, the average prices paid in MBOs has grown drastically over the past decade as the concept has gained widespread acceptance and alternative means of financing these deals have been developed. Both the actual and the average prices of MBOs in 1987 were the second-highest levels in history.

UNIT MANAGEMENT BUYOUTS
TOTAL DOLLAR VALUE PAID
1978—1987

Year	Management Buyouts	Number Disclosing Price	Total Price (millions)	Average Price (millions)
1978	49	20	$ 75.2	$ 3.8
1979	59	14	46.7	3.3
1980	47	15	363.3	24.2
1981	83	30	484.1	16.1
1982	115	41	1,361.1	33.2
1983	139	51	2,499.4	49.0
1984	122	42	3,833.4	91.3
1985	132	50	5,005.4	100.1
1986	144	57	9,541.9	167.4
1987	90	43	5,957.2	138.5

Source: W. T. Grimm & Co.

Figure 29.

**The W. T. Grimm & Co. Research Department began monitoring unit management buyouts in 1978. The statistics discussed here represent only those instances where it has been publicly announced that an executive of the parent company or members of the division's management were included among the purchasing group. Therefore, any trend depicted here is understated.*

TWENTY LARGEST UNIT MANAGEMENT BUYOUTS
Completed/Pending
1987

	Selling Parent Company	Unit Sold to Management Group [business and/or product line]	Purchase Price *(millions)*
1.	**Allegis Corp.**	**Hertz Corp.** [car rental]	1,300.0
2.	**Wesray Capital Corp.**	**Avis Inc.** [car rental]	750.0
3.	**CBS Inc.**	**Magazine division** [publishing]	650.0
4.	**Harcourt Brace Jovanovich Inc.**	**HBJ Publications Inc. and HBJ Beckley-Cardy Inc.** [magazines and school supplies]	334.1
5.	**BankAmerica Corp.**	**Charles R. Schwab & Co.** [discount brokerage]	250.0
6.	**Borg-Warner Corp.**	**Industrial-products division** [mechanical equipment]	240.0
7.	**Owens-Corning Fiberglas Corp.**	**Ladish Co.** [forgings, pipe fittings, pumps]	236.0
8.	**Sonat Inc.**	**Sonat Marine Inc.** [tug and barge co.]	234.0
9.	**Imasco Ltd.**	**U.S. land development division of Genstar Corp.** [real estate development]	175.0
10.	**Amstar Corp.**	**Spreckels Sugar Co. and industrial products group** [sugar, industrial products]	170.0
11.	**Safeway Stores Inc.**	**Oklahoma division** [106 supermarkets]	165.0
12.	**Avon Products Inc.**	**Direct-response catalog division** [clothing]	151.2
13.	**Burlington Industries Inc.**	**Burlington Prints division and apparel fabrics division** [printed and cotton fabrics]	150.0
14.	**Southland Corp.**	**Chief Auto Parts Stores** [470 auto-parts stores]	130.0
15.	**Lorimar Telepictures Corp.**	**Bozell, Jacobs, Kenyon & Eckhardt Inc.** [advertising agency]	121.0
16.	**Emhart Corp.**	**Worldwide shoe machinery operations** [machinery]	115.0
17.	**Beneficial Corp.**	**American Centennial Insurance Co.** [property and casualty insurance]	108.0
18.	**W.R. Grace & Co.**	**Berman's Leather Experts** [retailer]	99.3
19.	**Alexander & Alexander Services Inc.**	**Sphere Drake Insurance Group PLC** [insurance underwriters]	56.0
20.	**Unisys**	**International business supply operations** [printing and distribution of business forms]	50.0

Source: W. T. Grimm & Co.

Figure 30.

TENDER OFFERS*

There were 116 tender offers for publicly traded companies in 1987, compared with 150 in 1986 and 84 in 1985. Contested tender offers totalled 31, or 27% of all tender offers in 1987. That compared to 40 contested tender offers in 1986, the highest hostile tender offer count ever recorded by W.T. Grimm & Co., which began monitoring tender offers in 1974.

The movement toward hostile tender offers has been enhanced by widespread availability of financing, particularly higher-yielding junk bonds, and the increasing respectability of hostile suitors. With loyal shareholder bases a thing of the past, hostile bidders have no difficulty in attracting the attention of a target company's stockholders, most of whom are institutional investors who are obliged to seek the highest return for their investments.

Figure 31 provides a 14-year statistical summary of tender offer activity, consisting of the number of tender offer attempts, cancellations and completed/pending tenders, both uncontested and contested. A contested offer is classified as one where the suitor's initial offer was rejected by the target company.

Historical Note

The now-established acquisition strategy of hostile raids originated in 1974 when Morgan Stanley & Co. represented International Nickel Co. of Canada in its hostile and successful offer for ESB, Inc. Having Morgan Stanley, a reputable investment banking firm, engage in such an action rendered the hostile takeover an acceptable practice. Subsequently, the prevalence of takeover battles resulted in a specialized industry consisting of investment bankers, attorneys, proxy solicitors and public relations professionals, all offering expertise on offensive and defensive tactics.

**W.T. Grimm & Co. utilizes the formal definition of tender offer which is an acquisition technique governed by the Securities & Exchange Commission as dictated by the "Williams Act." The acquirer/suitor files its offer with the SEC, which requires the offer to be open for a minimum of 20 days. The offer to purchase a specified number of shares outstanding of the target company is made directly to the shareholders, who have a minimum of 20 days to tender their shares. W. T. Grimm & Co. records tender offers seeking 10% or more of a target company's shares outstanding. Self tender offers are not monitored.*

TENDER OFFERS FOR PUBLICLY TRADED TARGET COMPANIES
1974—1987

	Attempts	Cancellations	Successful/Pending Bids	Success Rate
1974 - Uncontested	64 (84%)	13	51	80%
Contested	12 (16%)	4	8	67%
Total	76	17	59	78%
1975 - Uncontested	38 (66%)	9	29	76%
Contested	20 (34%)	6	14	70%
Total	58	15	43	74%
1976 - Uncontested	52 (74%)	9	43	83%
Contested	18 (26%)	14	4	22%
Total	70	23	47	67%
1977 - Uncontested	59 (86%)	5	54	92%
Contested	10 (14%)	8	2	20%
Total	69	13	56	81%
1978 - Uncontested	63 (70%)	4	59	94%
Contested	27 (30%)	14	13	48%
Total	90	18	72	80%
1979 - Uncontested	80 (75%)	10	70	88%
Contested	26 (25%)	18	8	31%
Total	106	28	78	74%
1980 - Uncontested	41 (77%)	5	36	88%
Contested	12 (23%)	9	3	25%
Total	53	14	39	74%
1981 - Uncontested	47 (63%)	1	46	98%
Contested	28 (37%)	15	13	46%
Total	75	16	59	79%
1982 - Uncontested	39 (57%)	5	34	87%
Contested	29 (43%)	12	17	59%
Total	68	17	51	75%
1983 - Uncontested	26 (70%)	1	25	96%
Contested	11 (30%)	4	7	64%
Total	37	5	32	86%
1984 - Uncontested	61 (77%)	8	53	87%
Contested	18 (23%)	8	10	56%
Total	79	16	63	80%
1985 - Uncontested	52 (62%)	3	49	94%
Contested	32 (38%)	18	14	44%
Total	84	21	63	75%
1986 - Uncontested	110 (73%)	8	102	93%
Contested	40 (27%)	25	15	38%
Total	150	33	117	78%
1987 - Uncontested	85 (73%)	10	75	88%
Contested	31 (27%)	13	18	58%
Total	116	23	93	80%
Fourteen-Year Cumulative				
Uncontested	817 (72%)	91	726	89%
Contested	314 (28%)	168	146	46%
Total	1,131	259	872	77%

Source: W. T. Grimm & Co.

(Tender offers tracked since 1974.)

Figure 31.

Figure 32 shows that white knights remained important factors in contested takeovers in 1987, as 54% of the unsuccessful offers ended in the target company being acquired by a white knight. (A white knight is a corporate suitor that the target company believes is more compatible with its own business philosophy and corporate objectives, i.e., a friendly acquirer.) Among the 13 contested tender offers in 1987 in which the original offer was cancelled, seven of the target companies were acquired by white knights, while six remained independent. White knights that purchased target companies paid an average 10.5% more than the hostile suitor originally bid. The seven companies acquired by white knights had a total purchase price of $4.7 billion. They are listed on page 76. The six remaining independent also are listed on page 76.

UNSUCCESSFUL CONTESTED OFFERS
Fate of Target Company
1976—1987

	Unsuccessful Contested Offers	Target Remained Independent	Target Acquired by White Knight	Average % White Knight Paid Over Initial Contested Offer
1976	14	6	8	25%
1977	8	3	5	31%
1978	14	8	6	21%
1979	18	9	9	24%
1980	9	3	6	33%
1981	15	6	9	33%
1982	12	10	2	11%
1983	4	1	3	18%
1984	8	6	2	9%
1985	18	9	9	24%
1986	25	10	15	24%
1987	13	6	7	10.5%

Source: W. T. Grimm & Co.

Figure 32.

Figure 33 shows that hostile suitors were successful in acquiring 18 of the 31 targets that contested in 1987, and that those suitors raised their bids an average 4.6% in 14 of those tender offers. The 18 successful contested tender offers of 1987, with purchase prices totalling $18.6 billion, are listed on page 75.

SUCCESSFUL*/PENDING CONTESTED & SWEETENED OFFERS
1976-1987

	Number of Successful* Contested Offers	Number Offers Where Hostile Suitor Raised Initial Bid	Average % Raised
1976	4	1	38%
1977	2	1	100%
1978	13	11	10%
1979	8	5	8%
1980	3	2	22%
1981	13	6	17%
1982	17	7	16%
1983	7	4	16%
1984	10	8	9%
1985	14	9	12%
1986	15	10	9%
1987	18	14	4.6%

*The term "successful" refers to both fully and partially successful offers, i.e. some shares are tendered and the suitor does not cancel his offer.

Source: W. T. Grimm & Co.

Figure 33.

CONTESTED TENDER OFFERS
1987

I. Successful/Pending Contested Tender Offers

Hostile Suitor	Target Company	Purchase Price (millions of dollars)
British Petroleum Co.	Standard Oil Co.	$7,762.2
Private Group	Southland Corp.	3,723.3*
Blue Arrow PLC	Manpower Inc.	1,330.8
Bank of New York Inc.	Irving Bank Corp.	1,099.5#
Private Group	Singer Co.	1,050.1*
Private Group	Revlon Group Inc.	841.7
WPP Group PLC	JWT Group Inc.	536.0
Dainippon Ink & Chemicals Inc.	Reichhold Chemicals Inc.	447.1
Prime Computer Inc.	Computervision Corp.	434.4
Union Pacific Corp.	Uspci Inc.	415.0
Ciba-Geigy Ltd.	Spectra-Physics Inc.	276.3
Mark IV Industries Inc.	Conrac Corp.	168.7
Private Group	International Controls Corp.	148.6
Miller Tabak Hirsch and Co.	Penn Traffic Co.	131.2
Shamrock Holdings Inc.	Wherehouse Entertainment Inc.	98.6#
Econocom International N.V.	Decision Industries Corp.	82.3#
Triangle Industries Inc.	Guardian Packaging Corp.	49.2*
Biomet Inc.	Electro-Biology Inc.	35.3*

*Suitors did not increase offer.

#As of Dec. 31, 1987, three tender offers announced during 1987 were still pending: Shamrock Holdings' offer for Wherehouse Entertainment; Econocom International's offer for Decision Industries and Bank of New York's offer for Irving Bank Corp. All three are included here as successful/pending tender offers, although the first two were terminated in early 1988. Bank of New York's hostile bid for Irving Bank Corp. was still open through the first quarter of 1988.

Source: W. T. Grimm & Co.

II. Unsuccessful Contested Offers
White Knights to the Rescue

Hostile Suitor	Target Company	Hostile Suitor's Offer (millions)	White Knight	White Knight's Offer (millions)
Asher Edelman	Burlington Industries Inc.	2,101.3	Group led by Morgan Stanley	2,128.6
Asher Edelman	Telex Corp.	741.8	Memorex International N.V.	909.9
New World Pictures Ltd.	Kenner Parker Toys Inc.	544.5	Tonka Corp.	590.8
Audio/Video Affiliate Inc.	Cyclops Corp.	375.4	Dixons Group PLC	366.2
Waste Management Inc.	Chemlawn Corp.	351.3	Ecolab Inc.	366.3
Alberto Culver Co.	Lamaur Inc.	134.3	Dow Chemical Co.	171.5
Hugh Culverhouse (10%)	Florida Commercial Banks	19.5	First Union Corp. (100%)	181.4

Source: W. T. Grimm & Co.

III. Unsuccessful Contested Offers
Target Remained Independent

Hostile Suitor	Target Company	Offer's Value (millions of dollars)
T. Boone Pickens	Newmont Mining Corp.	6,278.6
AFG Industries Inc.	Gencorp Inc.	2,457.3
T. Boone Pickens	Diamond Shamrock Corp.	1,716.5
Martin T. Sosnoff	Caesars World Inc.	1,051.1
UIS Inc.	Walbro Corp. (60%)	94.5
SDI Ltd and Young & Co.	Sorg Inc.	41.2

Source: W. T. Grimm & Co.

ACQUISITIONS OF PUBLICLY TRADED COMPANIES

Completed or pending acquisitions of publicly traded companies totalled 286 in 1987, down approximately 26% from 386 in 1986. Nonetheless, the $85.9 billion total value of the 267 transactions disclosing a purchase price in 1987 was only 4.4% below the $89.8 billion total for the 352 reporting a price in 1986 — the result of an increase in the number of takeovers with price tags of more than $1 billion.

ACQUISITIONS OF PUBLICLY TRADED COMPANIES**
1974—1987

Year	Total Transactions	Transactions Valued at $100MM or More	Transactions Valued at $1,000MM or More	Total Dollar Value Paid (millions of dollars)	Base*
1974	68	#	—	#	
1975	130	#	1	#	
1976	163	#	—	#	
1977	193	#	—	#	
1978	260	61	1	#	
1979	248	57	2	#	
1980	173	54	3	#	
1981	168	62	10	$ 56,569.4	156
1982	180	65	6	31,501.8	176
1983	190	73	8	39,471.4	181
1984	211	95	15	82,731.0	204
1985	336	134	28	116,675.5	321
1986	386	150	18	89,866.2	352
1987	286	128	22	85,924.9	267

#Data not collected that year.
*Base: The number of transactions disclosing a purchase price.
**Purchase of a controlling interest.

Source: W. T. Grimm & Co.

Figure 34.

Historical Note

There was a noticeable increase in the number of acquisitions in the 1974-1978 period, with public takeovers rising from 68 in 1974 to a peak of 260 in 1978. Companies in the 1970s were confronted with rising inflation, higher capital costs, lower valuation of assets by the marketplace, declining growth rates, and increasing doubts about the exact direction of the U.S. economy. As a result, management priorities were to lessen risks, strengthen earnings, and improve cash flow. Acquisition strategies became primary tools for achieving these objectives. With the depressed level of equity prices, purchasing existing undervalued assets rather than building anew at inflated replacement costs clearly made acquisitions the more attractive strategy.

This growth in public takeovers is closely related to three other trends of the 1970s previously identified: the increase in sizable acquisitions, the increase in tender offers, and the prevalence of cash as a payment medium. Because publicly traded companies tend to be larger than privately held firms, the growth in public takeovers paralleled the increase in larger-sized transactions, resulting in higher dollar totals. Due to the generally distant relationship between managers and stockholders in public companies, there were more tender offers aimed directly at shareholders. Unlike the owners of privately held companies who are burdened with estate taxes, shareholders of public corporations are not as preoccupied with questions of tax liability. Therefore, payment for acquisitions of public companies was usually in the form of cash. During periods characterized by bear stock markets, cash payments were further utilized.

Figure 35 provides the annual price-paid distribution for takeovers of publicly held companies since 1980. As a percentage of all 1987 transactions disclosing a purchase price, takeovers of public companies increased in each category of more than $25 million. Actual and percentage totals declined in the categories of $25 million or less.

ACQUISITIONS OF PUBLICLY TRADED COMPANIES
DOLLAR VALUE
1980—1987

	Number (Percent of Transactions Disclosing Price)							
Price Paid Value	1980	1981	1982	1983	1984	1985	1986	1987
$10 million or less	23 (14%)	20 (13%)	22 (12%)	16 (9%)	14 (7%)	58 (18%)	42 (12%)	17 (6%)
$10.1–25.0 million	40 (23%)	28 (18%)	25 (14%)	22 (12%)	26 (13%)	46 (14%)	51 (15%)	29 (11%)
$25.1–50.0 million	30 (17%)	22 (14%)	31 (18%)	40 (22%)	36 (17%)	43 (13%)	54 (15%)	45 (17%)
$50.1 99.9 million	23 (14%)	24 (15%)	33 (19%)	30 (17%)	32 (16%)	41 (13%)	56 (16%)	48 (18%)
$100 million or more	54 (32%)	62 (40%)	65 (37%)	73 (40%)	96 (47%)	133 (42%)	150 (42%)	128 (48%)
Base*	170	156	176	181	204	321	353	267

*Base: The number of transactions disclosing a purchase price.

Source: W. T. Grimm & Co.

Figure 35.

Cash was the preferred form of payment for public companies in 1987, followed by stock and combination payments, respectively. Percentage-wise, the 1987 breakdown is very close to the figures for 1985 and 1986. (Those two years showed identical numbers for cash, stock and combination transactions — a remarkable coincidence.) A detailed explanation of the 1987 breakdown is provided on page 39 in the section dealing with method of payment.

ACQUISITIONS OF PUBLICLY TRADED COMPANIES
MEDIUM OF PAYMENT
1980—1987

	1980	1981	1982	1983	1984	1985	1986	1987
Cash	94 (55%)	89 (56%)	98 (55%)	94 (51%)	134 (65%)	182 (57%)	182 (57%)	127 (57%)
Stock	(25%)	38 (24%)	34 (19%)	52 (28%)	34 (16%)	78 (25%)	78 (25%)	60 (27%)
Combination	(18%)	31 (19%)	44 (25%)	37 (20%)	35 (17%)	56 (18%)	56 (18%)	35 (16%)
Debt	3 (2%)	2 (1%)	1 (1%)	1 (1%)	4 (2%)	1 (—)	(—)	(—)
Base*	172	160	177	184	207	317	316	222

*Base: The number of transactions disclosing method of payment.

Source: W. T. Grimm & Co.

Figure 36.

Going Private/Leveraged Buyouts

The term "going private" refers to an acquisition of a publicly traded company by a private investment group or an individual (i.e., the buyer is not an operating business.) The W.T. Grimm & Co. Research Department began tracking such transactions in 1979. The statistics in Figure 37 show a trend toward private acquisitions of public companies from 1980 to 1985, a leveling off in 1986 and a decline in 1987.

GOING PRIVATE
1979—1987

Year	Total Public Takeovers	Going Private	Percent of Public Takeovers
1979	248	16	6.4%
1980	173	13	7.5%
1981	168	17	10.1%
1982	180	31	17.2%
1983	190	36	19.0%
1984	211	57	27.0%
1985	336	76	22.6%
1986	386	76	19.7%
1987	286	47	16.4%

Source: W. T. Grimm & Co.

Figure 37.

Reasons vary for taking a company private. Some companies are attracted to such advantages as the elimination of additional expenses associated with publicly traded companies: shareholder documents, shareholder meetings, shareholder dividends and compliance with numerous SEC filing requirements. Most importantly, the removal of quarterly earnings reports enables management to operate the business in its best long-term interests instead of opting for short-term strategies that boost the stock price. In the wake of hostile takeovers and raider/greenmail tactics, target companies have gone private as the ultimate defensive move. For example, having been the target of a hostile offer by Asher Edelman, Burlington Industries' management turned to a private investment group led by Morgan Stanley to play the role of white knight and take them private for $2.1 billion.

The prime motivating force for going private has been the enormous popularity of the leveraged buyout. Like the majority of unit management buyouts, most, if not all, of the "going private" transactions also are leveraged buyouts, i.e., transactions in which the buyers put up only a small part of the purchase price and borrow the rest. Typically, the acquired assets are used as collateral and the earnings of the acquired business is used to amortize the debt. The buying groups or equity participants almost always consist of the company's management along with a variety of other investors that can include insurance companies, pension funds or specialized buyout concerns that arrange such deals.

As shown in Figure 38, the total dollar value paid for "going private" transactions increased 9% over 1986, to $22 billion, despite a decline in the actual number of those transactions. Of the 47 private acquisitions of public companies, 26 were valued at $100 million or more, and a record seven of those had price tags of more than $1 billion. As a result, the average purchase price for public companies being taken private jumped 67% in 1987 to a record $469.3 million, and the median purchase price rose 46% to $123.3 million.

Figure 39 shows increases in the average and median price/earnings ratios and the average and median premiums paid in 1987 for public companies taken private.

The 20 largest private acquisitions of public companies since 1979 are listed in Figure 40. All except two have occurred in the past three years.

GOING PRIVATE
AGGREGATE DOLLARS PAID
1979—1987

Year	Total Going Private	Total Dollar Value Paid (millions)	Number of Transactions Valued at $100MM or More	Number of Transactions Valued at $1,000MM or More	Average Purchase Price (millions)	Median Purchase Price (millions)
1979	16	$ 636.0	1	—	$ 39.8	$ 7.9
1980	13	967.4	3	—	74.4	25.3
1981	17	2,338.5	4	—	137.6	41.1
1982	31	2,836.7	11	—	91.5	29.6
1983	36	7,145.4	14	1	198.5	77.8
1984	57	10,805.9	26	—	415.6	66.9
1985	76	24,139.8	28	6	317.6	72.6
1986	76	20,232.4	29	4	281.0	84.5
1987	47	22,057.1	26	7	469.3	123.3

Source: W. T. Grimm & Co.

Figure 38.

GOING PRIVATE
VALUATION OF TRANSACTIONS
1979—1987

Year	Price/Earnings Ratio Paid: Average	Price/Earnings Ratio Paid: Median	Premium Paid Over Market Price: Average	Premium Paid Over Market Price: Median
1979	10.0X	8.1X	106.4%	65.6%
1980	10.9	10.7	49.2	36.2
1981	11.5	9.7	31.3	26.7
1982	11.2	11.0	41.4	38.6
1983	18.6	13.8	36.7	31.3
1984	14.2	12.6	36.3	33.7
1985	17.2	14.7	30.9	25.7
1986	21.0	17.4	31.9	26.1
1987	22.0	20.3	34.8	30.9

Source: W. T. Grimm & Co.

Figure 39.

GOING PRIVATE
TWENTY LARGEST DEALS
1979—1987

Year Announced	Company Name [business and/or product line]	Approximate Purchase Price (millions)	Average P/E Paid	Average Premium Paid Over Market
1985	**Beatrice Cos.** [diversified food and consumer products]	$ 5,361.6	10.7X	14.9%
1986	**Safeway Stores Inc.** [nation's largest supermarket chain]	4,198.4	18.4	43.8
1987	**Borg-Warner Corp.** [diversified manufacturing]	3,798.6	20.4	30.6
1987	**Southland Corp.** [convenience food stores]	3,723.3	13.8	14.1
1986	**Owens-Illinois Inc.** [packaging, financial services, nursing homes]	3,631.9	19.6	36.0
1985	**R.H. Macy & Co.** [department store chain]	3,484.7	18.4	54.5
1987	**Burlington Industries Inc.** [textiles]	2,128.6	37.5	45.1
1985	**National Gypsum Co.** [building materials]	2,059.1	17.2	133.0
1986	**Viacom International Inc.** [cable TV, TV program distribution]	1,819.8	—	45.2
1987	**Supermarkets General Corp.** [nation's 8th largest supermarket chain]	1,801.2	29.2	34.0
1985	**Storer Communications, Inc.** [broadcast and cable communications]	1,569.3	—	29.8
1983	**Metromedia, Inc.** [broadcasting]	1,467.9	44.5	140.0
1987	**Taft Broadcasting Co.** [broadcast and cable communications]	1,446.1	—	1.0
1986	**Revco D.S. Inc.** [drugstore chain]	1,227.2	47.7	21.6
1985	**Jack Eckerd Corp.** [drugstore chain]	1,181.7	—	10.0
1985	**Levi Strauss & Co.** [blue jeans & other apparel]	1,108.2	26.9	42.3
1987	**Singer Co.** [defense electronics]	1,050.1	26.6	50.4
1987	**Charter Medical Corp.** [hospital management]	1,018.7	20.0	2.9% below market
1985	**Northwest Industries, Inc.** [industrial, consumer & chemical products]	994.6	19.6	8.5% below market
1984	**ARA Services, Inc.** [diversified food, transportation and healthcare services]	873.2	14.4	56.4
	Total & Averages	$ 43,944.2	24.1X	39.6%

P/Es were computed on the companies' trailing 12 months earnings available at the time of the announcement. Premiums over market were based on the companies' closing stock price five days before the initial announcement.

No P/E was computed for Storer Communications, Taft Broadcasting Co. or Jack Eckerd Corp. because each firm experienced earnings losses. A P/E for Viacom International would have been irrelevant since the firm reported trailing 12 months earnings of $0.27 a share at the time the deal was announced, and eventually was offered $53.

Source: W. T. Grimm & Co.

Figure 40.

PREMIUM PAID OVER MARKET PRICE*

Average premiums paid over market price during 1987 fell well within the range of past years, at an average 38.3% and a median 30.8%, based on 237 transactions in which price was disclosed and premiums were paid.

The steady level of premiums seems to indicate that the October stock market crash had no impact on premiums. In fact, though, as prices were adjusted downward after the crash, premiums rose significantly. But the higher fourth-quarter premiums were offset by relatively lower premiums during the first three quarters—especially in the third quarter.

PERCENT PREMIUM PAID OVER MARKET PRICE
1968—1987

Year	DJIA High	DJIA Low	Average	Median	Base*
1968	985.21	825.13	25.1	na	271
1969	968.85	769.93	25.7	na	191
1970	842.00	631.16	33.4	na	80
1971	950.82	797.97	33.1	na	74
1972	1,036.27	889.15	33.8	na	93
1973	1,051.70	788.31	44.5	na	145
1974	891.66	577.60	50.1	43.1	147
1975	881.81	632.04	41.4	30.1	129
1976	1,014.79	858.71	40.4	31.1	168
1977	999.75	800.85	40.9	36.2	218
1978	907.74	742.12	46.2	41.5	240
1979	897.61	796.67	49.9	47.6	229
1980	1,000.17	759.13	49.9	44.6	169
1981	1,024.05	824.01	48.0	41.9	166
1982	1,070.55	776.92	47.4	43.5	176
1983	1,287.20	1,027.04	37.7	34.0	168
1984	1,286.64	1,086.57	37.9	34.4	199
1985	1,553.10	1,184.96	37.1	27.7	331
1986	1,955.60	1,502.30	38.2	29.9	333
1987	2,722.42	1,738.74	38.3	30.8	237

*Base: The number of transactions where a premium over market was paid. Premiums can only be calculated on acquisitions of publicly traded companies.

Source: W. T. Grimm & Co.

Figure 41.

Historical Note

During periods of relatively weaker stock market conditions, investors tend to regard their depressed stockholdings as only temporarily undervalued. Therefore, higher premiums are offered to induce the investors to sell their shares. During the conglomerate merger wave of the '60s, the average premium paid over market ranged between 13% and 25%. The depressed stock market conditions of the 1970s were accompanied by substantial increases in the average premium paid. The highest average premium, 50.1%, occurred in 1974, when the stock market fell to 577.60, its lowest level in a decade. In Figure 41, note the higher premiums during periods of relatively poor stock performance: 44.5% in 1973, when the stock market began its descent that ended in 1974; 46.2% in 1978, when the Dow Jones Industrial Average tumbled to 742.12, a three-year low; and 49.9% in 1979, when the DJIA failed to advance above the 900 level.

**Premium calculations for the years 1979-1987 are based on the seller's closing market price five business days before the initial announcement. Before 1979, calculations were based on market price two days before announcement.*

The annual distribution of premiums paid for the last 12 years is charted in Figure 42.

DISTRIBUTION OF PREMIUMS PAID
1975—1987

	Number of Transactions By Percent Premium Paid Over Market						
	0.0-20.0%	20.1-40.0%	40.1-60.0%	60.1-80.0%	80.1-99.9%	More than 99.9%	Base*
1975	36	38	21	17	6	11	129
1976	45	56	24	21	9	13	168
1977	58	62	50	20	12	16	218
1978	47	69	56	34	10	24	240
1979	41	54	54	37	24	19	229
1980	30	45	34	27	16	17	169
1981	35	45	32	22	12	20	166
1982	34	46	44	22	15	15	176
1983	45	56	42	11	6	8	168
1984	52	66	49	19	9	4	199
1985	125	106	54	17	14	15	331
1986	112	110	60	22	10	19	333
1987	76	79	49	17	8	8	237

*Base: Number of transactions where a premium over market price was paid.

Source: W. T. Grimm & Co.

Figure 42.

Figure 43 compares the average percent premium paid for a controlling interest (acquisitions of 50.1% or more of a company's shares outstanding) with that for a minority interest (purchases of 10-50%).

In past years, the difference in premiums between controlling interest and minority interest has reflected the distinction between simply purchasing a minority liquid investment and acquiring the right to dictate the future operations of a company. In 1987, however, buyers paid more for minority-interest purchases than for controlling interests. The average premium paid for a minority interest was 39.8%, up from 1986's 27.2% average, while the average premium paid for a controlling interest was 38.2%, compared with 39.1% in 1986. Since W.T. Grimm & Co. monitors negotiated transfers of ownership or tender offers, not open-market purchases, most of the minority-interest acquisitions are cases where the seller needs additional capital and is therefore willing to exchange an equity interest for cash.

AVERAGE PERCENT PREMIUM PAID
CONTROLLING VS. MINORITY
1981—1987

	1981	(Base*)	1982	(Base*)	1983	(Base*)	1984	(Base*)	1985	(Base*)	1986	(Base*)	1987	(Base*)
Controlling Interest	50.5	(145)	48.5	(165)	37.8	(160)	39.0	(191)	37.3	(310)	39.1	(308)	38.2	(228)
Minority Interest	31.1	(21)	29.6	(11)	35.9	(8)	16.8	(8)	34.2	(21)	27.2	(25)	39.8	(9)

*Base: Number of transactions where a price was reported and a premium over market was paid.

Source: W. T. Grimm & Co.

Figure 43.

Figure 44 provides a comparison of the premiums paid with respect to the dollar value of the transaction and the method of payment.

MEDIAN PERCENT PREMIUM PAID
1981—1987

I. COMPARISON BY DOLLAR VALUE

Value of Purchase Price	1981	(Base*)	1982	(Base*)	1983	(Base*)	1984	(Base*)	1985	(Base*)	1986	(Base*)	1987	(Base*)
$25 million or less	38.0	(50)	43.8	(50)	25.1	(32)	30.7	(37)	22.8	(117)	27.3	(82)	29.2	(39)
$25.1—50.0 million	47.5	(28)	45.7	(31)	35.4	(39)	32.0	(36)	28.3	(46)	27.9	(56)	30.1	(40)
$50.1—99.9 million	34.6	(27)	41.1	(33)	21.1	(30)	37.2	(36)	30.1	(42)	30.1	(54)	23.9	(41)
$100 million or more	49.1	(61)	43.6	(62)	39.5	(67)	36.2	(90)	29.6	(126)	32.2	(141)	33.4	(117)

*Base: Number of transactions where a premium over market was paid.

II. COMPARISON BY METHOD OF PAYMENT

	1981	(Base*)	1982	(Base*)	1983	(Base*)	1984	(Base*)	1985	(Base*)	1986	(Base*)	1987	(Base*)
Cash	38.0	(102)	36.6	(106)	34.8	(94)	31.9	(138)	27.0	(194)	29.2	(161)	28.9	(115)
Stock	47.1	(31)	47.9	(29)	33.4	(34)	44.4	(23)	32.5	(64)	36.2	(67)	36.0	(40)
Combination	56.0	(30)	55.0	(40)	35.0	(36)	42.1	(32)	31.9	(55)	30.1	(45)	35.0	(25)

*Base: Number of transactions where a premium over market was paid and price and payment method were disclosed.

Source: W. T. Grimm & Co.

Figure 44.

Figure 45 compares the median premium paid between lower-priced stocks and higher-priced stocks. Lower-priced stocks tend to get higher premiums because the selling shareholders do not realize as great a profit as do shareholders of higher-priced stocks with even lower premiums. For example, a $10 stock price at a 40% premium is only $4, while a $51 stock price at a 20% premium is $10.20. In addition, lower-priced stocks, particularly those under $10, tend to be thinly traded and less liquid, resulting in companies that are more closely held. Because ownership is more concentrated, acquirers must offer higher premiums to gain control.

MEDIAN PERCENT PREMIUM PAID
LOW-PRICED STOCKS VS. HIGH-PRICED STOCKS
1982—1987

Seller's Market Price Five Days Before Announcement	Median Premium Paid											
	1982	(Base*)	1983	(Base*)	1984	(Base*)	1985	(Base*)	1986	(Base*)	1987	(Base*)
$10.00 & under	64.2	(53)	41.8	(28)	40.0	(50)	27.4	(125)	35.5	(114)	32.8	(71)
$10.125–25.00	38.1	(86)	32.6	(79)	35.2	(87)	29.4	(121)	27.9	(125)	28.7	(101)
$25.125–50.00	30.8	(31)	35.0	(51)	30.6	(54)	25.8	(65)	27.8	(81)	30.7	(49)
Over $50.00	30.1	(6)	20.0	(10)	20.0	(8)	26.1	(20)	30.1	(13)	30.1	(16)

*Base: Number of transactions for which a premium over market was paid.

Source: W. T. Grimm & Co.

Figure 45.

A comparison of the median premiums paid with respect to the seller's price/earnings ratio is provided in Figure 46. The large base of stocks trading at a high P/E ratio reflects the high P/E ratio for the market as a whole.

MEDIAN PERCENT PREMIUM PAID
BY SELLER'S P/E
1983—1987

Seller's P/E Ratio Five Days Before Announcement	Percent Median Premium Paid [Base*]				
	1983	1984	1985	1986	1987
Deficit**	53.7 [29]	42.6 [32]	28.8 [78]	34.8 [82]	31.0 [68]
1.0 – 5.0X	80.0 [5]	50.1 [6]	80.0 [18]	100.0 [1]	21.4 [1]
5.1 – 8.0	42.1 [17]	37.8 [29]	32.0 [36]	13.3 [4]	17.5 [5]
8.1 – 10.0	35.4 [22]	35.6 [28]	28.2 [45]	26.7 [12]	46.0 [6]
10.1 – 12.0	25.1 [16]	31.6 [21]	27.3 [41]	16.6 [15]	17.5 [5]
12.1 – 15.0	30.1 [18]	33.8 [33]	24.2 [45]	17.4 [28]	26.1 [21]
Over 15.0	30.1 [61]	28.1 [50]	23.3 [68]	31.9 [180]	33.1 [118]

*Base: Number of transactions where a premium over market was paid and a P/E calculated.

**Companies operating at a deficit when acquired.

Source: W. T. Grimm & Co.

Figure 46.

LARGEST AND SMALLEST PREMIUM-PAID TRANSACTIONS
1987

The five largest and five smallest premium-paid transactions among completed or pending deals announced in 1987 are as follows:

Buyer	Seller	Premium Paid
Service Control Corp.	American Service Corp.	184.6%
News Corp. Ltd.	Harper & Row Publishers Inc.	176.6
Waste Management Inc.	Modulaire Industries Inc.	137.0
Yasuda Mutual Life Insurance Co.	PaineWebber Group Inc. (acquired an 18% interest)	134.1
Union Pacific Corp.	Uspci Inc.	118.4
Private Group	Interstate Bakeries Corp.	.9
Private Group	Taft Broadcasting Co.	1.0
Household International Corp.	Booth Inc.	2.6
Interactive Technologies Inc.	Linear Corp. (acquired a 37% interest)	3.2
Mobex Corp.	Grant Industries Inc.	3.3

More details on these transactions are provided in the Transaction Roster beginning on page 129.

Average percent premiums paid for the 50 W. T. Grimm & Co. industry classifications are listed on the next page.

INDUSTRY CLASSIFICATIONS
PERCENT PREMIUM PAID OVER MARKET
1983—1987

Seller Industry Classifications	Average percent premium paid over market price (Base). 1983	1984	1985	1986	1987
Agricultural Production	19.4 [3]	14.0 [1]	12.5 [1]	26.3 [1]	71.4 [1]
Food Processing	48.6 [5]	40.1 [6]	27.7 [12]	33.5 [7]	27.1 [6]
Beverages	33.6 [3]	46.6 [3]	27.4 [2]	20.0 [1]	17.4 [2]
Apparel	19.1 [2]	29.4 [9]	21.6 [9]	58.4 [5]	26.5 [3]
Textiles	32.4 [6]	35.7 [1]	11.7 [4]	36.8 [7]	25.9 [2]
Timber & Forest Products	—	39.9 [2]	36.8 [1]	—	41.0 [1]
Paper	19.0 [1]	—	30.1 [3]	66.5 [3]	—
Packaging & Containers	29.1 [2]	45.4 [3]	13.1 [2]	—	32.9 [3]
Furniture	2.1 [1]	—	9.9 [1]	22.6 [6]	69.7 [1]
Building Products & Materials	71.3 [2]	17.5 [3]	31.6 [6]	6.7 [1]	32.3 [2]
Household Goods	30.8 [3]	25.7 [3]	32.5 [4]	11.0 [4]	17.4 [1]
Printing & Publishing	43.1 [4]	72.0 [4]	17.0 [1]	27.8 [6]	44.9 [5]
Chemicals, Paints & Coatings	—	23.7 [2]	23.2 [8]	33.2 [6]	28.6 [2]
Drugs, Medical Supplies & Equipment	25.7 [2]	38.3 [2]	36.2 [10]	52.4 [9]	35.2 [8]
Toiletries & Cosmetics	—	34.3 [2]	62.7 [2]	—	29.3 [3]
Plastics & Rubber	7.0 [1]	66.0 [3]	35.9 [5]	32.0 [6]	23.7 [5]
Stone, Clay & Glass	35.9 [2]	33.6 [1]	50.2 [1]	30.8 [4]	44.2 [2]
Primary Metal Processing	35.6 [3]	29.2 [4]	37.6 [3]	31.1 [4]	29.5 [5]
Fabricated Metal Products	—	—	22.3 [4]	27.6 [8]	40.0 [2]
Industrial & Farm Machinery & Equipment	28.9 [6]	51.0 [7]	30.6 [8]	41.9 [12]	25.0 [12]
Construction, Mining & Oil Field Machinery & Equipment	41.4 [3]	10.5 [1]	—	34.6 [1]	11.1 [3]
Valves, Pumps & Hydraulics	—	40.9 [4]	—	30.8 [1]	36.2 [1]
Autos & Trucks	—	—	—	—	—
Automotive Products & Accessories	—	—	47.0 [3]	6.5 [1]	36.2 [1]
Electrical Equipment	39.1 [1]	19.5 [5]	61.2 [7]	26.6 [10]	38.8 [7]
Office Equipment & Computer Hardware	64.8 [1]	43.5 [5]	32.1 [8]	43.7 [10]	39.3 [10]
Electronics	25.3 [3]	57.9 [3]	54.1 [7]	19.6 [9]	28.0 [7]
Aerospace, Aircraft & Defense	38.9 [1]	64.2 [3]	35.8 [5]	44.8 [7]	39.8 [3]
Instruments & Photographic Equipment	24.0 [3]	33.3 [1]	28.5 [8]	46.3 [12]	47.7 [7]
Toys & Recreational Products	—	14.3 [1]	—	37.3 [1]	90.7 [2]
Miscellaneous Manufacturing	28.5 [1]	10.9 [1]	50.0 [1]	30.5 [5]	38.7 [1]
Oil & Gas	38.3 [23]	32.7 [19]	54.9 [21]	75.1 [9]	41.4 [7]
Mining & Minerals	—	11.9 [1]	—	—	25.0 [1]
Transportation	23.5 [1]	40.3 [3]	50.6 [10]	34.4 [17]	29.1 [8]
Communications	—	5.6 [1]	15.8 [2]	—	25.8 [4]
Broadcasting	69.4 [2]	32.4 [1]	83.4 [6]	54.9 [4]	10.8 [4]
Electrical, Gas, Water & Sanitary Services	60.7 [2]	153.3 [1]	45.5 [3]	30.1 [4]	42.5 [6]
Wholesale & Distribution	32.9 [4]	34.2 [5]	35.4 [15]	36.1 [2]	22.7 [3]
Retail	43.1 [5]	35.9 [23]	31.7 [28]	45.4 [17]	50.7 [26]
Banking & Finance	40.6 [31]	53.9 [12]	27.3 [53]	46.8 [48]	38.5 [28]
Insurance	62.3 [7]	42.8 [5]	50.1 [5]	33.1 [10]	34.2 [3]
Real Estate	—	—	41.6 [5]	25.0 [1]	—
Brokerage, Investment & Management Consulting Services	36.9 [3]	22.8 [4]	24.9 [1]	26.8 [2]	55.7 [5]
Computer Software, Supplies & Services	31.3 [2]	48.9 [7]	30.8 [14]	40.9 [12]	34.4 [5]
Construction Contractors & Engineering Services	41.1 [2]	29.0 [4]	28.4 [9]	23.8 [7]	27.2 [4]
Energy Services	99.9 [1]	34.4 [4]	—	—	—
Health Services	30.3 [7]	36.2 [5]	28.1 [3]	36.4 [9]	44.1 [2]
Leisure & Entertainment	32.9 [6]	31.1 [6]	65.2 [15]	38.7 [16]	46.9 [7]
Miscellaneous Services	24.6 [4]	32.2 [6]	83.3 [6]	29.3 [16]	57.5 [13]
Conglomerate	31.8 [9]	35.0 [12]	23.1 [9]	28.1 [12]	37.3 [3]
All-Industry Average*	37.7 [168]	37.9 [199]	37.1 [331]	38.2 [333]	38.3 [237]

Source: W. T. Grimm & Co.

**The all-industry average is based on the price paid for each transaction disclosing a purchase price. The industry-classified breakdowns are based on averages for each industry.*

ACQUISITIONS OF PRIVATELY OWNED COMPANIES

The number of announced acquisitions of privately owned companies dropped 47% in 1987, to 855, from the record 1,598 in 1986. The total dollar value paid in 1987 for private businesses was nearly $11.9 billion, about half of the 1986 total. The number of $100-million-plus acquisitions of private companies slipped 31% to 31, but the number of billion-dollar deals in the category stayed at 1, due to the $1.7-billion acquisition of SCI Holdings by a private investor group led by Tele-Communications Inc.

The 31 transactions valued at $100 million or more totalled $6.8 billion, accounting for 57% of the $11.9 billion total for acquisitions of all privately owned companies. That compares to 1986's 53% of all acquisitions of private companies that totalled $100 million or more. The 31 $100 million-plus acquisitions of private companies announced in 1987 are identified in the W.T. Grimm & Co. 100-Million-Dollar Club beginning on page 13.

ACQUISITIONS OF PRIVATELY OWNED COMPANIES
1976—1987

Year	Number of Acquisitions	Percent of Total Acquisition Activity	Transactions Valued at $100 MM or more	Transactions Valued at $1,000 MM or more	Total Dollar Value Paid (millions of dollars)	Base*
1976	856	38%	#	#	#	
1977	971	44%	#	#	#	
1978	969	46%	#	#	#	
1979	1,049	49%	8	1	#	
1980	988	52%	4	—	#	
1981	1,330	55%	12	—	$8,521.7	581
1982	1,222	52%	7	—	5,916.9	420
1983	1,316	52%	8	—	8,079.4	500
1984	1,351	53%	18	—	8,734.8	445
1985	1,358	45%	15	2	16,851.6	453
1986	1,598	48%	45	1	22,025.4	548
1987	855	42%	31	1	11,857.5	296

Data not collected that year.
*Base: Number of transactions disclosing purchase price.

Source: W. T. Grimm & Co.

Figure 47.

As the above figure indicates, the purchase of privately held companies is a significant, if not the most fundamental, component of merger and acquisition activity. The majority of these acquisitions fall into two main situations which are characterized by the seller's motivation. Lack of an heir to take over the business is probably the most frequent reason for selling. Nearing retirement, the owner is prompted to sell in order to achieve the needed liquidity for estate tax purposes. The second most common selling scenario involves a company experiencing the pressures of growth. Increasing demand for the company's products or services exerts pressure on the firm to become more sophisticated and efficient in its operations. To fulfill these demands, the owner/entrepreneur sells his business so that he can obtain needed financing for expansion and rely on the professional management assistance a larger firm can provide.

Prices paid for private companies in 1987 were more evenly spread across all price ranges than in past years. Nonetheless, as shown in Figure 48, prices of $10 million or less dominated acquisitions of private companies, continuing a perennial pattern.

As in the past five years, stock was the dominant form of payment for private companies in 1987, followed by combination payments and cash, respectively. A detailed discussion appears on page 39.

ACQUISITIONS OF PRIVATELY OWNED COMPANIES
1980—1987

I. DOLLAR VALUE

Number (Percent of Transactions Disclosing Price)

Value of Purchase Price	1981	1982	1983	1984	1985	1986	1987
$ 5 million or less	265 (46%)	197 (47%)	198 (40%)	180 (41%)	149 (33%)	125 (23%)	56 (19%)
$ 5.1 – 10.0 million	136 (23%)	85 (20%)	116 (23%)	84 (19%)	105 (23%)	98 (18%)	56 (19%)
$10.1 – 15.0 million	62 (11%)	52 (12%)	55 (11%)	50 (11%)	51 (11%)	67 (12%)	37 (13%)
$15.1 – 25.0 million	43 (7%)	35 (8%)	56 (11%)	51 (12%)	56 (13%)	87 (16%)	54 (18%)
$25.1 – 50.0 million	45 (8%)	29 (7%)	48 (10%)	46 (10%)	57 (13%)	81 (15%)	41 (14%)
$50.1 – 99.9 million	18 (3%)	15 (4%)	19 (4%)	15 (3%)	20 (4%)	45 (8%)	21 (7%)
$100 million or more	12 (2%)	7 (2%)	8 (1%)	19 (4%)	15 (3%)	45 (8%)	31 (10%)
Number of Transactions Disclosing Price	581	420	500	445	453	548	296

II. METHOD OF PAYMENT

Number (Percent of Transactions Disclosing Payment Form)

	1981	1982	1983	1984	1985	1986	1987
Cash	213 (28%)	137 (24%)	129 (20%)	167 (29%)	170 (28%)	180 (27%)	78 (23%)
Stock	379 (50%)	256 (44%)	306 (48%)	226 (39%)	234 (39%)	295 (45%)	173 (51%)
Combination	159 (21%)	169 (29%)	202 (31%)	180 (31%)	195 (33%)	188 (28%)	89 (26%)
Debt	8 (1%)	16 (3%)	6 (1%)	4 (1%)	1 (—)	— (—)	— (—)
Number of Transactions Disclosing Payment Form	759	578	643	577	600	663	340

Source: W. T. Grimm & Co.

Figure 48.

PRICE/EARNINGS RATIOS PAID

The price paid as a multiple of the acquired company's earnings is only computable when both the total price paid and the earnings of the seller are disclosed. In 1987, such information was available for 216 transactions, only 11% of the total net merger and acquisition count. Due to the high percentage of private sellers and divestitures, few transactions release sufficient data on which to calculate price/earnings ratios paid. The subsequent P/E multiples, therefore, should not be construed as representative of all mergers and acquisitions. They simply provide a set of guidelines.

Based on the 216 reporting transactions in 1987, the average P/E ratio was 23.3, compared with 22.2 (based on 364 transactions) calculated in 1986. The annual distribution of P/E ratios for the last eight years is presented in Figure 49 along with average and median values.

DISTRIBUTION OF P/E RATIOS PAID
1980—1987

Price/Earnings Ratio Paid	1980	1981	1982	1983	1984	1985	1986	1987
0.1— 8.5	61	40	42	24	35	51	18	15
8.6—10.5	42	31	28	21	33	47	20	7
10.6—13.0	40	51	41	34	40	80	43	16
13.1—17.0	45	40	41	36	52	89	82	49
17.1—25.0	17	39	22	44	50	91	112	58
25.0—99.9	38	29	19	30	36	69	89	71
*Base	243	230	193	189	246	427	364	216
Average P/E Paid	15.2	15.6	13.9	16.7	17.2	18.0	22.2	23.3
Median P/E Paid	11.3	12.7	12.1	14.5	14.2	14.7	18.4	19.9

*Base: Number of transactions disclosing P/E paid.

Source: W. T. Grimm & Co.

Figure 49.

The comparison between multiples paid for publicly traded companies and those paid for private businesses is noteworthy. The 1987 average P/E ratio for public companies was 24.4 while the average multiple for private firms was 16.1. That compares with 1986 average P/E ratios of 24.2 for public companies and 18.8 for private businesses.

Median values for the last eight years, listed in Figure 50, indicate that higher P/Es are paid for public companies than for private concerns. Since publicly traded companies tend to be larger, more sophisticated businesses with solid market shares and often strong public identities, they are more likely to command correspondingly higher price multiples.

MEDIAN P/E PAID
PUBLIC VS. PRIVATE
1980—1987

	Acquisitions of public companies (Base*)	Acquisitions of private companies (Base*)
1980	11.5 (162)	10.3 (81)
1981	14.0 (160)	11.5 (70)
1982	12.8 (150)	10.1 (43)
1983	15.5 (141)	11.5 (48)
1984	15.1 (183)	11.4 (63)
1985	16.4 (240)	12.3 (187)
1986	24.3 (259)	16.5 (105)
1987	21.7 (191)	15.2 (25)

*Base: Number of transactions disclosing P/E paid.

Source: W. T. Grimm & Co.

Figure 50.

Figure 51 presents comparisons of median P/E ratios by price-paid value and by method of payment.

MEDIAN P/E PAID
1980—1987

	By Price-Paid Value (Base*)				By Payment Medium (Base**)		
	$25 million or less	$25.1-50.0 million	$50.1-99.9 million	$100 million or more	Cash	Stock	Combination
1980	10.2(123)	9.5(36)	13.7(27)	13.7(57)	11.0(121)	12.8(75)	11.3(43)
1981	11.0(90)	13.7(36)	13.5(32)	15.4(72)	13.5(112)	14.5(57)	12.6(50)
1982	10.4(69)	12.0(25)	13.3(33)	13.1(66)	12.4(109)	12.0(33)	12.2(47)
1983	13.5(54)	14.7(40)	12.4(34)	17.4(61)	15.8(95)	17.9(36)	12.5(46)
1984	11.0(61)	12.2(45)	15.8(39)	16.4(101)	14.3(145)	17.8(33)	12.6(47)
1985	12.7(183)	14.3(60)	14.2(49)	17.4(135)	15.1(206)	14.8(110)	13.9(93)
1986	15.8(128)	17.3(57)	20.2(55)	20.5(124)	18.7(154)	18.4(88)	20.6(42)
1987	15.8(31)	18.2(32)	18.5(39)	22.8(114)	22.8(88)	19.7(38)	18.3(25)

*Base: Number of transactions disclosing P/E paid.

**Base: Number of transactions disclosing payment method as well as P/E paid.

Source: W. T. Grimm & Co.

Figure 51.

Figure 52 charts the percentage paid over the average price/earnings multiple on the Standard & Poor's index of 500 stocks since 1968. In 1987, the price per earnings paid for all transactions recorded by W.T. Grimm & Co. was 20.7% higher than the S&P 500 P/E ratio average—representing one of the lowest percentages on record.

PRICE/EARNINGS RATIOS
PERCENT PAID OVER S&P 500
1968—1987

Year	S&P 500 P/E Ratio*	WTG Average P/E Paid**	Percent Paid Over S&P 500 P/E Ratio
1968	18.1	24.6	35.9%
1969	15.1	21.0	39.1%
1970	16.7	23.1	38.3%
1971	18.3	24.3	32.8%
1972	19.1	21.4	12.0%
1973	12.2	18.9	54.9%
1974	7.3	13.5	84.9%
1975	11.7	13.3	13.7%
1976	11.0	15.1	37.2%
1977	8.8	13.8	56.8%
1978	8.3	14.3	72.2%
1979	7.4	14.3	93.2%
1980	9.1	15.2	67.0%
1981	8.1	15.6	92.6%
1982	10.2	13.9	36.3%
1983	12.4	16.7	34.7%
1984	10.8	17.2	59.3%
1985	11.5	18.0	56.5%
1986	16.0	22.2	39.0%
1987	19.3	23.3	20.7%

*Based upon an average of weekly prices and quarterly earnings.

**Based upon prices paid in all transactions where earnings information was available.

Source: W. T. Grimm & Co.

Figure 52.

Figure 52 illustrates that buyers tend to pay higher prices per earnings when the average S&P 500 P/E Ratio is low. That differential represents a premium paid for gaining a controlling interest. A higher premium is required at times when the market places a lower value on earnings.

HIGHEST AND LOWEST TRANSACTION P/E RATIOS

The five highest and five lowest P/E ratios for completed or pending transactions announced in 1987 are as follows:

Buyer	Seller	P/E Ratio Paid
Pearson PLC	Camco Inc.	93.5X
Union Pacific Corp.	Uspci Inc.	93.0
Dep Corp.	Jeffrey Martin Inc.	91.2
Campeau Corp.	Allied Stores Corp.	69.0
General Electric Co.	Gelco Corp.	63.6
Peoples Bancorporation	Seaboard Savings & Loan Assn.	3.8
Custom Energy Services Inc.	Pentron Industries Inc.	5.1
BJF Holding Corp.	Dinner Bell Foods Inc.	5.3
Keller Graduate School of Management Inc.	Bell & Howell Inc. (DeVry Inc.)	5.4
Inspectorate International SA	Network Security Corp.	5.7

More details on these acquisitions are provided in the Transaction Roster beginning on page 129.

Average P/E ratios for the 50 W.T. Grimm & Co. industry classifications are listed on the next page.

P/E PAID
BY INDUSTRY CLASSIFICATIONS
1983—1987

Seller Industry Classifications	Average P/E Ratio Paid (Base) 1983	1984	1985	1986	1987
Agricultural Production	13.7 [2]	10.1 [1]	—	5.7 [1]	7.4 [1]
Food Processing	14.3 [5]	13.7 [10]	14.7 [9]	25.5 [10]	21.0 [8]
Beverages	17.0 [2]	15.5 [2]	14.5 [3]	10.6 [1]	18.1 [2]
Apparel	7.2 [3]	12.4 [11]	20.3 [6]	24.9 [4]	41.9 [1]
Textiles	17.9 [5]	8.6 [2]	13.5 [3]	14.4 [6]	40.0 [2]
Timber & Forest Products	—	25.9 [2]	20.5 [1]	—	—
Paper	13.8 [1]	—	12.0 [4]	27.6 [2]	—
Packaging & Containers	15.2 [2]	18.3 [3]	10.8 [3]	12.5 [2]	23.0 [4]
Furniture	10.6 [2]	—	14.4 [2]	23.9 [6]	13.5 [1]
Building Products & Materials	14.2 [2]	14.0 [3]	16.5 [5]	14.3 [1]	14.8 [2]
Household Goods	27.1 [4]	11.1 [5]	13.7 [4]	15.0 [6]	14.2 [2]
Printing & Publishing	14.2 [7]	17.7 [5]	20.4 [2]	18.6 [7]	26.9 [7]
Chemicals, Paints & Coatings	—	15.2 [5]	13.3 [2]	20.0 [5]	21.9 [4]
Drugs, Medical Supplies & Equipment	32.9 [1]	21.8 [4]	21.1 [8]	28.4 [5]	23.6 [5]
Toiletries & Cosmetics	12.8 [2]	22.9 [3]	18.6 [2]	—	38.9 [4]
Plastics & Rubber	8.4 [1]	19.4 [3]	15.6 [5]	12.2 [6]	27.5 [6]
Stone, Clay & Glass	12.8 [2]	16.4 [2]	11.1 [1]	44.1 [2]	12.1 [2]
Primary Metal Processing	9.5 [3]	14.2 [3]	18.2 [1]	13.5 [3]	17.0 [2]
Fabricated Metal Products	17.7 [1]	—	15.4 [5]	29.2 [7]	—
Industrial & Farm Machinery & Equipment	13.3 [5]	16.3 [5]	19.7 [8]	19.5 [10]	16.4 [2]
Construction, Mining & Oil Field Machinery & Equipment	28.0 [2]	57.5 [1]	—	21.6 [1]	93.5 [1]
Valves, Pumps & Hydraulics	16.6 [2]	20.7 [3]	—	20.1 [1]	22.2 [1]
Autos & Trucks	—	—	10.2 [1]	53.4 [1]	—
Automotive Products & Accessories	—	6.9 [1]	10.2 [2]	13.7 [4]	8.2 [1]
Electrical Equipment	18.1 [1]	24.0 [5]	17.2 [6]	25.3 [9]	28.1 [7]
Office Equipment & Computer Hardware	24.4 [3]	17.7 [4]	14.2 [5]	16.3 [4]	27.2 [6]
Electronics	16.1 [5]	12.8 [1]	14.8 [9]	23.1 [8]	19.2 [5]
Aerospace, Aircraft & Defense	20.9 [2]	17.0 [3]	26.2 [7]	30.4 [6]	21.6 [4]
Instruments & Photographic Equipment	30.5 [2]	19.2 [4]	18.3 [5]	31.0 [11]	28.7 [7]
Toys & Recreational Products	1.1 [1]	46.7 [2]	9.1 [1]	8.6 [1]	25.5 [2]
Miscellaneous Manufacturing	18.7 [2]	15.2 [2]	25.0 [1]	44.4 [2]	42.5 [1]
Oil & Gas	17.8 [18]	20.5 [19]	18.2 [13]	49.7 [2]	36.5 [2]
Mining & Minerals	9.7 [1]	10.9 [2]	6.8 [1]	—	18.8 [1]
Transportation	14.1 [2]	11.2 [4]	27.3 [9]	17.5 [11]	15.6 [4]
Communications	—	30.3 [1]	21.8 [5]	—	23.0 [3]
Broadcasting	36.3 [2]	40.0 [1]	23.0 [3]	46.1 [1]	—
Electrical, Gas, Water & Sanitary Services	14.2 [3]	11.4 [1]	15.6 [6]	23.3 [4]	26.2 [7]
Wholesale & Distribution	11.7 [5]	17.8 [8]	14.7 [15]	24.0 [1]	19.0 [3]
Retail	13.5 [7]	16.4 [23]	17.9 [22]	22.8 [18]	24.0 [26]
Banking & Finance	13.2 [33]	13.3 [24]	16.1 [167]	18.7 [122]	15.5 [37]
Insurance	15.0 [8]	15.7 [6]	12.4 [10]	17.9 [10]	18.3 [2]
Real Estate	8.5 [4]	8.7 [5]	9.4 [3]	22.7 [1]	—
Brokerage, Investment & Management Consulting Services	19.5 [4]	11.2 [5]	—	33.9 [2]	12.3 [3]
Computer Software, Supplies & Services	26.6 [5]	25.6 [8]	32.1 [14]	26.2 [8]	40.7 [4]
Construction Contractors & Engineering Services	14.2 [1]	9.0 [5]	16.5 [10]	28.1 [5]	10.4 [3]
Energy Services	8.1 [1]	38.0 [2]	—	—	15.8 [1]
Health Services	21.2 [8]	20.4 [9]	47.5 [3]	39.7 [11]	25.5 [3]
Leisure & Entertainment	30.1 [5]	18.4 [8]	27.9 [16]	32.1 [12]	27.4 [7]
Miscellaneous Services	17.0 [5]	15.0 [7]	22.8 [9]	25.0 [14]	29.3 [15]
Conglomerate	20.5 [7]	18.0 [13]	20.5 [10]	22.2 [10]	23.7 [5]
All-Industry Average*	16.7 [189]	17.2 [246]	18.0 [427]	22.2 [364]	23.3 [216]

Source: W.T. Grimm & Co.

**The all-industry average is based on the price paid for each transaction disclosing a P/E ratio. The industry-classified breakdowns are based on averages for each industry.*

The 50 W. T. Grimm & Co. classifications have been regrouped here into 12 industry sectors to provide a broader interpretation of P/Es and premiums.

INDUSTRY SECTORS
AVERAGE P/E PAID
1982—1987

Industry Sector	Average P/E Paid [Base]					
	1982	1983	1984	1985	1986	1987
Agricultural Production	10.0X[2]	13.7X[2]	10.1X[1]	—	5.7X[1]	7.4X[1]
Manufacturing	14.1 [81]	16.6 [68]	19.0 [92]	15.9X[110]	22.9 [131]	26.4 [89]
Natural Resources	10.7 [14]	13.8 [19]	19.1 [23]	15.1 [15]	49.7 [2]	27.7 [3]
Transportation	8.2 [5]	14.1 [2]	11.2 [4]	27.3 [9]	17.5 [11]	15.6 [4]
Communications & Broadcasting	31.3 [1]	36.3 [2]	35.2 [2]	22.4 [8]	46.1 [1]	23.0 [3]
Utilities	13.0 [3]	14.2 [3]	11.4 [1]	15.6 [6]	23.3 [4]	26.2 [7]
Wholesale & Distribution	8.8 [4]	11.7 [5]	17.8 [8]	14.7 [15]	24.0 [1]	19.0 [3]
Retail	16.9 [11]	13.5 [7]	16.4 [23]	17.9 [22]	22.8 [18]	24.0 [26]
Financial Services	11.9 [37]	15.9 [45]	13.4 [35]	14.2 [177]	18.9 [134]	15.4 [42]
Other Services	15.9 [23]	19.5 [25]	21.1 [39]	29.4 [52]	30.4 [50]	24.9 [33]
Real Estate	18.7 [2]	8.5 [4]	8.7 [5]	9.4 [3]	22.7 [1]	—
Conglomerate	13.3 [10]	20.5 [7]	18.0 [13]	20.5 [10]	22.2 [10]	23.7 [5]
All-Industry Averages	13.9X[193]	16.7X[189]	17.2X[246]	18.0X[427]	22.2X[364]	23.3X[216]

AVERAGE PERCENT PREMIUMS PAID OVER MARKET
1982—1987

Industry Sector	Average Premium Paid [Base]					
	1982	1983	1984	1985	1986	1987
Agricultural Production	33.0%[2]	19.4%[3]	14.0%[1]	12.5%[1]	26.3%[1]	71.4%[1]
Manufacturing	48.2 [72]	32.9 [56]	36.8 [77]	31.9 [124]	35.6 [146]	35.4 [106]
Natural Resources	53.1 [16]	38.3 [23]	28.2 [22]	45.8 [22]	75.1 [9]	35.8 [9]
Transportation	66.8 [3]	23.5 [1]	40.3 [3]	50.6 [10]	34.4 [17]	29.1 [8]
Communications & Broadcasting	52.9 [1]	69.4 [2]	19.0 [2]	49.6 [8]	54.9 [4]	18.3 [8]
Utilities	68.2 [2]	60.7 [2]	153.3 [1]	45.5 [3]	30.1 [4]	42.5 [6]
Wholesale & Distribution	47.0 [2]	32.9 [4]	34.2 [5]	35.4 [15]	36.1 [2]	22.7 [3]
Retail	50.3 [12]	43.1 [5]	35.9 [23]	31.7 [28]	45.4 [17]	50.7 [26]
Financial Services	43.6 [35]	46.6 [41]	39.8 [21]	34.1 [59]	43.9 [60]	42.8 [36]
Other Services	49.0 [19]	43.4 [22]	35.3 [32]	47.2 [47]	34.6 [60]	50.6 [31]
Real Estate	17.1 [2]	—	—	41.6 [5]	25.0 [1]	—
Conglomerate	46.7 [10]	31.8 [9]	35.0 [12]	23.1 [9]	28.1 [12]	37.3 [3]
All-Industry Averages	47.4%[176]	37.7%[168]	37.9%[199]	37.1%[331]	38.2%[333]	38.3%[237]

CONTINGENT PAYOUTS

Contingent payouts are supplementary payments based on the future earnings of the acquired concern. They are used to overcome the buyer's difficulty in determining the present value or future growth rate of a selling company. Thus, the contingent provision serves as (1) a protection for the buyer against overvaluation of the seller, and (2) an incentive for the owner to remain and continue running the business. The majority of acquired companies in such transactions are small, privately held companies and/or service-oriented establishments. Contingent payout provisions were used in 51 acquisitions in 1987.

CONTINGENT PAYOUTS
1974—1987

1974—33	1981—52
1975—20	1982—51
1976—32	1983—37
1977—22	1984—39
1978—25	1985—65
1979— 9	1986—38
1980—33	1987—51

Source: W. T. Grimm & Co.

Figure 53.

ANNUAL SALES OF ACQUIRED COMPANIES

A total of 1,225 transactions involved the sale of an entire company in 1987. Among these acquisitions, 1,046 sellers disclosed their annual sales. Annual distributions of sellers (non-divestitures) by their annual sales for the last nine years are shown in Figure 54.

DISTRIBUTION OF SELLERS BY SALES
1979—1987

	Percentage of Sellers Disclosing Sales								
Annual Sales Volume	**1979**	**1980**	**1981**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**
$10 million or less	44%	41%	41%	39%	40%	35%	37%	25%	16%
$10.1—50.0 million	29%	34%	36%	35%	35%	33%	33%	32%	30%
$50.1—100.0 million	11%	10%	6%	9%	10%	12%	9%	14%	16%
Over $100 million	16%	15%	17%	17%	15%	20%	21%	29%	38%
Number of Selling Companies Disclosing Annual Sales	644	504	651	559	642	735	908	1,344	1,046

Source: W. T. Grimm & Co.

Figure 54.

GEOGRAPHIC BREAKDOWN

The geographic breakdown of buyers and sellers for which W.T. Grimm & Co. recorded a location appears on pages 98 and 99.

Again in 1987, California recorded the greatest number of corporate sales, followed by New York. Illinois moved up to No. 3, replacing Texas, which dropped back to No. 4 in 1987. Florida moved into the top five states recording corporate sales.

On the buyer side, New York companies realized the largest number of acquisitions once again in 1987. California and Illinois remained Nos. 2 and 3 respectively. Pennsylvania and Texas tied for fourth place, while Ohio, which ranked fourth in 1986, dropped to seventh place in 1987.

The regional breakdowns on page 100 show the highest number of 1987 sales among companies in midwestern states, followed by midAtlantic companies and southwestern companies, respectively. Mid-Atlantic companies continued their aggressive buying stance in 1987, ranking ahead of companies in the Midwest and in the Southwest.

NUMBER OF SELLERS RANKED BY STATES
1983-1987

	Number of Sellers (Rank)					
	1983	1984	1985	1986	1987	Five-Year Total
California	208(1)	263(1)	261(1)	258(1)	270(1)	1,260(1)
New York	112(3)	120(2)	223(2)	172(2)	167(2)	794(2)
Illinois	70(4)	75(4)	77(5)	105(4)	117(3)	444(4)
Texas	132(2)	117(3)	102(3)	120(3)	103(4)	574(3)
Florida	65(6)	64(6)	80(4)	92(6)	88(5)	389(5)
Pennsylvania	45(9)	66(5)	66(8)	82(8)	85(6)	344(7)
New Jersey	67(5)	61(7)	66(8)	72(11)	84(7)	350(6)
Michigan	33(14)	35(12)	59(10)	74(10)	81(8)	282(10)
Ohio	46(7)	41(9)	75(6)	83(7)	74(9)	319(9)
Massachusetts	46(7)	61(7)	67(7)	93(5)	61(10)	328(8)
Minnesota	20(22)	22(17)	32(16)	45(14)	52(11)	171(15)
Georgia	34(13)	39(11)	51(12)	54(12)	47(12)	225(11)
Connecticut	37(12)	27(13)	40(13)	48(13)	39(13)	191(13)
North Carolina	31(15)	19(21)	23(22)	43(17)	38(14)	154(17)
Wisconsin	27(19)	22(17)	31(17)	29(21)	35(15)	144(20)
Virginia	29(16)	27(13)	35(14)	36(18)	34(16)	161(16)
Tennessee	28(18)	25(15)	22(23)	45(14)	34(17)	154(17)
Washington	29(23)	25(15)	28(19)	32(20)	32(18)	146(19)
Indiana	21(21)	19(21)	58(11)	82(8)	32(19)	212(12)
Colorado	39(11)	41(9)	35(14)	44(16)	28(20)	187(14)
Arizona	13(30)	13(26)	24(21)	25(23)	23(21)	98(24)
Missouri	41(10)	21(19)	25(20)	28(22)	21(22)	136(21)
Oklahoma	26(20)	21(19)	19(27)	14(30)	21(23)	101(23)
Maryland	29(16)	15(25)	31(17)	34(19)	20(24)	129(22)
Oregon	15(27)	8(32)	15(30)	18(26)	14(25)	70(29)
Alabama	18(25)	10(29)	21(25)	22(24)	14(26)	85(25)
Iowa	16(26)	3(42)	12(33)	9(34)	13(27)	53(33)
New Hampshire	4(38)	11(28)	14(31)	17(28)	13(28)	59(31)
District of Columbia	3(40)	6(37)	9(34)	11(32)	12(29)	41(35)
Kansas	8(33)	13(26)	21(25)	18(26)	12(30)	72(23)
Utah	12(32)	9(30)	16(29)	13(31)	11(31)	61(30)
Delaware	3(40)	2(43)	-(51)	3(43)	9(32)	17(43)
Louisiana	19(23)	19(21)	19(27)	9(34)	9(33)	75(27)
Kentucky	15(27)	19(21)	22(23)	21(25)	8(34)	85(26)
South Carolina	13(30)	7(36)	13(32)	17(28)	8(35)	58(32)
West Virginia	2(43)	4(38)	2(45)	8(36)	7(36)	23(42)
Idaho	1(48)	1(49)	2(45)	1(47)	4(37)	9(45)
Mississippi	2(43)	8(32)	2(45)	8(36)	4(38)	24(41)
Nevada	5(36)	4(38)	7(36)	11(32)	4(39)	31(36)
Arkansas	15(27)	9(30)	7(36)	8(36)	3(40)	42(34)
Nebraska	7(34)	4(38)	5(40)	8(36)	3(41)	27(38)
New Mexico	6(35)	4(38)	7(36)	6(41)	3(42)	26(40)
Rhode Island	5(36)	8(32)	9(34)	4(42)	3(43)	29(37)
Maine	4(38)	8(32)	6(39)	7(40)	2(44)	27(39)
Montana	2(43)	2(43)	3(41)	2(44)	2(45)	11(44)
North Dakota	1(49)	2(43)	1(49)	2(44)	2(46)	8(48)
Vermont	2(43)	1(51)	3(41)	1(47)	2(47)	9(47)
Hawaii	3(40)	1(48)	1(49)	2(44)	2(48)	9(46)
Wyoming	1(50)	2(43)	3(41)	-(50)	2(49)	8(49)
South Dakota	2(43)	1(50)	3(41)	-(50)	1(50)	7(50)
Alaska	-(51)	1(47)	2(45)	1(47)	-(51)	4(51)
Number Disclosing Location	1,412	1,406	1,755	1,937	1,753	8,263

Source: W. T. Grimm & Co.

Figure 55.

NUMBER OF BUYERS RANKED BY STATES
1983—1987

	Number of Buyers (Rank)					
	1983	1984	1985	1986	1987	Five-Year Total
New York	213(1)	223(1)	226(1)	273(1)	261(1)	1,196(1)
California	158(2)	199(2)	216(2)	221(2)	186(2)	980(2)
Illinois	108(4)	87(5)	99(4)	152(3)	111(3)	557(3)
Pennsylvania	68(7)	97(4)	86(6)	107(5)	86(4)	444(5)
Texas	134(3)	110(3)	92(5)	94(6)	86(4)	516(4)
New Jersey	80(5)	58(7)	67(7)	73(9)	85(6)	363(7)
Ohio	45(10)	74(6)	110(3)	113(4)	84(7)	426(6)
Michigan	28(16)	36(13)	53(10)	58(11)	68(8)	243(12)
Connecticut	73(6)	54(9)	54(9)	86(7)	57(9)	324(8)
Massachusetts	45(10)	43(11)	47(12)	75(8)	56(10)	266(11)
Georgia	62(8)	56(8)	51(11)	53(12)	56(10)	278(10)
Florida	60(9)	52(10)	59(8)	65(10)	53(12)	289(9)
Minnesota	33(13)	35(14)	42(13)	48(13)	45(13)	203(13)
Virginia	29(15)	27(15)	40(14)	35(17)	42(14)	173(15)
Colorado	30(14)	42(12)	35(15)	45(14)	28(15)	180(14)
Wisconsin	21(20)	27(15)	35(15)	31(19)	25(16)	139(17)
Maryland	23(19)	27(15)	23(20)	18(23)	25(16)	116(21)
Missouri	45(10)	26(18)	35(15)	36(16)	24(18)	166(16)
North Carolina	20(21)	19(20)	26(19)	35(17)	22(19)	122(19)
Tennessee	28(16)	23(19)	22(21)	28(20)	21(20)	122(19)
Indiana	19(22)	11(25)	32(18)	41(15)	21(20)	124(18)
Washington	14(23)	11(25)	17(23)	23(21)	19(22)	84(22)
Alabama	13(24)	9(30)	15(24)	20(22)	17(23)	74(24)
Delaware	5(34)	1(46)	2(43)	8(34)	17(23)	33(34)
Arizona	9(29)	7(32)	9(32)	17(24)	14(25)	56(25)
Oklahoma	26(18)	17(21)	12(26)	14(26)	14(25)	83(23)
New Hampshire	3(42)	9(30)	19(22)	12(28)	11(27)	54(26)
Nebraska	4(39)	14(23)	11(29)	11(30)	11(27)	51(29)
Oregon	4(39)	5(34)	7(35)	6(38)	10(29)	32(36)
Rhode Island	12(26)	12(24)	9(32)	12(28)	9(30)	54(26)
Utah	10(28)	10(28)	12(26)	10(32)	9(30)	51(29)
Kentucky	5(34)	16(22)	12(26)	13(27)	8(32)	54(26)
Louisiana	6(31)	10(28)	10(31)	2(43)	7(33)	35(33)
District of Columbia	5(34)	4(35)	8(34)	6(38)	6(34)	29(38)
Arkansas	11(27)	2(42)	6(37)	9(33)	5(35)	33(34)
West Virginia	-(51)	1(50)	3(39)	4(40)	5(35)	13(43)
Iowa	7(30)	6(33)	11(29)	11(30)	5(35)	40(32)
Kansas	13(24)	11(25)	13(25)	8(34)	4(38)	49(31)
Nevada	3(42)	3(38)	6(37)	8(34)	3(39)	23(37)
Mississippi	6(31)	4(35)	1(46)	7(37)	3(39)	21(40)
South Carolina	5(34)	3(38)	3(39)	16(25)	3(39)	30(39)
Maine	5(34)	3(38)	3(39)	3(41)	2(42)	16(42)
New Mexico	6(31)	2(42)	7(35)	2(43)	2(42)	19(41)
Vermont	-(50)	1(49)	1(47)	2(43)	2(42)	6(47)
Hawaii	2(44)	3(38)	1(45)	-(48)	2(42)	8(46)
Montana	-(49)	-(51)	-(49)	1(47)	1(46)	2(51)
Wyoming	4(39)	2(42)	2(43)	-(48)	1(46)	9(45)
North Dakota	1(46)	1(47)	-(50)	-(48)	1(46)	3(49)
Idaho	-(48)	4(35)	3(39)	3(41)	-(49)	10(44)
South Dakota	1(47)	1(50)	-(51)	2(43)	-(49)	4(48)
Alaska	2(44)	1(45)	-(48)	-(48)	-(49)	3(49)
Number Disclosing Location	1,504	1,499	1,653	1,917	1,633	8,206

Source: W. T. Grimm & Co.

Figure 56.

REGIONAL RANKING
1983—1987

Region	Number of Sellers (Rank)					
	1983	1984	1985	1986	1987	Five-Year Total
Midwest	292 (2)	258 (3)	399 (2)	483 (1)	443 (1)	1,875 (2)
Middle Atlantic	305 (1)	320 (2)	454 (1)	439 (2)	426 (2)	1,944 (1)
Southwest	283 (3)	334 (1)	350 (3)	357 (3)	339 (3)	1,663 (3)
Southeast	191 (5)	172 (4)	212 (4)	281 (4)	233 (4)	1,089 (4)
New England	98 (6)	116 (6)	139 (6)	170 (5)	120 (6)	643 (6)
South Central	192 (4)	166 (5)	147 (5)	151 (6)	136 (5)	792 (5)
Northwest	48 (7)	38 (7)	51 (7)	53 (7)	54 (7)	244 (7)
Alaska & Hawaii	3 (8)	2 (8)	3 (8)	3 (8)	2 (8)	13 (8)
Totals	1,412	1,406	1,755	1,937	1,753	8,263

Region	Number of Buyers (Rank)					
	1983	1984	1985	1986	1987	Five-Year Total
Middle Atlantic	428 (1)	454 (1)	467 (1)	537 (1)	535 (1)	2,421 (1)
Midwest	325 (2)	329 (2)	441 (2)	511 (2)	399 (2)	2,005 (2)
Southwest	216 (3)	263 (3)	285 (3)	303 (3)	242 (3)	1,309 (3)
Southeast	194 (4)	166 (4)	177 (4)	224 (4)	175 (4)	936 (4)
New England	138 (6)	122 (6)	133 (5)	190 (5)	137 (5)	720 (5)
South Central	177 (5)	139 (5)	120 (6)	119 (6)	112 (6)	667 (6)
Northwest	22 (7)	22 (7)	29 (7)	33 (7)	31 (7)	137 (7)
Alaska & Hawaii	4 (8)	4 (8)	1 (8)	- (8)	2 (8)	11 (8)
Totals	1,504	1,499	1,653	1,917	1,633	8,206

Middle Atlantic: New York, Pennsylvania, New Jersey, Delaware, Maryland, West Virginia, Virginia, Washington, D. C., Kentucky.

Midwest: North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Michigan, Indiana, Ohio.

Southwest: California, Nevada, Utah, Colorado, Arizona, New Mexico.

South Central: Texas, Oklahoma, Arkansas, Louisiana.

Southeast: Florida, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Tennessee.

New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.

Northwest: Washington, Oregon, Idaho, Montana, Wyoming.

Source: W. T. Grimm & Co.

Figure 57.

CANCELLATIONS

The W.T. Grimm & Co. Research Department found that the October stock market crash had no significant effect on the number of cancellations of acquisitions and mergers in either the full year or the fourth quarter of 1987. While cancellations increased somewhat in the week after the crash, most of those terminations related to transactions announced in early October; for the most part, acquisitions and mergers announced earlier in the year proceeded as planned. The 155 terminated transactions announced in 1987 represented only 7% of all announced transactions — well within the range of the past 17 years.

CANCELLATIONS
1969—1987

Year	Gross Merger/Acquisition Announcements	Cancellations	Net Merger/Acquisition Announcements	Cancellations as a % of Gross Announcements
1969	6,727	620	6,107	9%
1970	5,679	527	5,152	9
1971	4,940	332	4,608	7
1972	5,116	315	4,801	6
1973	4,364	324	4,040	7
1974	3,169	308	2,861	10
1975	2,564	267	2,297	10
1976	2,453	177	2,276	7
1977	2,374	150	2,224	6
1978	2,277	171	2,106	8
1979	2,347	219	2,128	9
1980	2,067	178	1,889	9
1981	2,558	163	2,395	6
1982	2,535	189	2,346	7
1983	2,695	162	2,533	6
1984	2,761	218	2,543	8
1985	3,237	236	3,001	7
1986	3,535	199	3,336	6
1987	2,187	155	2,032	7

Source: W. T. Grimm & Co.

Figure 58.

Among those cancellations identifying cause of termination, inability to agree on terms is traditionally the most frequently cited reason, followed by the intrusion of competing bidders and economic conditions. In 1987, however, acceptance of competitive bids was the leading reason cited for cancellation. Interestingly, economic conditions and factors related to the stock market crash were cited in relatively few cases.

The 20 largest cancellations of 1987 are catalogued in Figure 59.

Historical Note

As the figure shows, cancellations have ranged from 6% to 10% of the gross total number of transactions. The 10% cancellation rates in 1974 and 1975 were attributed to declining stock prices and the resulting difficulty in reaching mutually agreeable exchange ratios. The same held true for 1969 and 1970, when terminations comprised 9% of all deals. The 9% rates in 1979 and 1980 were largely due to the historic and dramatic climb in interest rates. The prime rate rose from 13 1/4% in October, 1979 to 20% in April, 1980, only to be followed by a rapid decline to 11% in the summer months and a wild comeback to 20% which was

surpassed by 21 1/2% in December, 1980. Not only did high interest rates lessen the availability of adequate financing, but the extremely volatile movement of the prime lending rate coupled with double-digit inflation created further obstacles to closing deals. Due to such breakneck economic swings, terms of acquisition agreements became obsolete, resulting in cancellations.

TWENTY LARGEST CANCELLATIONS
1987

Buyer Seller	Approximate Value (millions)	Reason for Cancellation
Henley Group Inc. Santa Fe Southern Pacific Corp.	$ 9,897.7	Henley's offer was rebuffed immediately by Santa Fe. W.T. Grimm & Co. calculates this as a cancellation although Henley launched a proxy fight that continued into 1988.
Olympia & York Developments Ltd. Santa Fe Southern Pacific Corp.	9,897.7	O&Y withdrew when Santa Fe said it wished to remain independent.
Dart Group Corp. Dayton Hudson Corp.	6,350.5	The Haft family, which controls Dart Group Corp., dropped its bid, citing uncertainty in financing.
Private Group (led by T. Boone Pickens, Jr.) Newmont Mining Corp.	6,278.6	Mr. Pickens was blocked in his hostile takeover attempt by white knight Goldfields PLC, which initially owned a minority interest.
Revlon Group Inc. Gillette Co.	5,400.7	This was one of several bids by Revlon over the past two years to acquire Gillette, which repeatedly rejected the offers.
Private Group (pilots of UAL) Allegis Corp.	4,500.0	Allegis thwarted the bid with a major restructuring.
Private Group (led by Republic Health Corp. & executives) Hospital Corp. of America	3,846.6	The company rejected the proposal.
GAF Corp. Borg-Warner Corp.	3,206.5	Borg-Warner accepted a higher bid from a private investor group headed by Merrill Lynch.
Private Group (a partnership affiliated with AFG Industries Inc.) GenCorp Inc.	2,457.3	The investor group dropped the offer after GenCorp called the proposal an attempt at greenmail and initiated a self-tender offer.
Private Group (led by company Chairman Samuel J. Heyman) GAF Corp.	2,185.1	Mr. Heyman cancelled, citing poor economic conditions.
Private Group (led by Asher B. Edelman) Burlington Industries Inc.	2,101.3	A private group led by Morgan Stanley Group Inc. outbid this group, made up of Asher B. Edelman and Dominion Textile Inc. Dominion subsequently acquired the Burlington Denim operations.
Private Group (led by PaineWebber) Jim Walter Corp.	1,972.3	Jim Walter Corp. considered this bid too aggressive and accepted Kohlberg, Kravis, Roberts & Co.'s $1,908.7-million all-cash bid.
Pesch & Co. American Medical International Inc.	1,911.3	Bid was rejected as inadequate.
Dart Group Corp. Supermarkets General Corp.	1,733.8	Dart Group withdrew its offer after Supermarkets General ignored its letters. S.G. subsequently was acquired by a private investor group led by Merrill Lynch.
British Printing & Communications Corp. Harcourt Brace Jovanovich Inc.	1,733.5	HBJ avoided BPC's overtures by recapitalizing.
Private Group (led by T. Boone Pickens Jr.) Diamond Shamrock Corp.	1,716.5	Diamond Shamrock rejected the offer.
Trans World Airlines USAir Group Inc.	1,401.3	The bid was withdrawn after the Department of Transportation rejected the proposal for insufficient information.
Private Group (headed by Taft's Vice Chairman) Taft Broadcasting Co.	1,381.7	Taft Broadcasting received a bid from another private group for $1,446.1 million.
Private Group (led by Martin T. Sosnoff) Caesars World Inc.	1,051.1	The offer was mutually terminated.
Norfolk Southern Corp. Piedmont Aviation Inc.	964.7	Piedmont was acquired by USAir Group.

Source: W. T. Grimm & Co.

Figure 59.

Additional information on cancelled transactions begins on page 166 of the Transaction Roster.

II.

HISTORICAL DATA CHECKLIST
A Twenty-Five Year Summary
1963 — 1987

TWENTY-FIVE YEAR STATISTICAL REVIEW

		1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Net M & A Announcements		1,361	1,950	2,125	2,377	2,975	4,462	6,107	5,152	4,608	4,801	4,040	2,861
Total Dollar Value Paid *(billions of dollars)*		*	*	*	*	*	43.6	23.7	16.4	12.6	16.7	16.7	12.5
$100 Million–Plus Deals		*	*	*	*	*	46	24	10	7	15	28	15
Method of Payment	Cash	*	64%	67%	60%	36%	29%	32%	29%	32%	34%	41%	48%
	Stock	*	36%	30%	35%	60%	62%	57%	52%	49%	51%	44%	33%
	Combination	*	*	3%	5%	4%	9%	11%	16%	17%	14%	14%	15%
	Debt	#	#	#	#	#	#	#	3%	2%	1%	1%	3%
Divestitures		*	*	191	264	328	557	801	1,401	1,920	1,770	1,557	1,331
Acquisitions of Publicly Traded Sellers		*	*	*	*	*	*	*	*	*	*	*	68
Acquisitions of Privately Held Sellers		*	*	*	*	*	*	*	*	*	*	*	*
Total Foreign Sellers		*	*	*	*	*	*	*	*	*	531	323	257
Total Foreign Buyers		*	*	*	*	*	*	*	*	*	88	143	173
Average P/E Paid		*	20.7	19.4	16.5	17.6	24.6	21.0	23.1	24.3	21.4	18.9	13.5
Average Premium Paid Over Market		*	*	*	*	*	25.1	25.7	33.4	33.1	33.8	44.5	50.1
Cancelled Transactions		*	*	*	*	*	*	620	527	332	315	324	308

**Item not tracked during that year.*

 # A separate count for debt payments began in 1970.

TWENTY-FIVE YEAR STATISTICAL REVIEW (Continued)

		1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Net M & A Announcements		2,297	2,276	2,224	2,106	2,128	1,889	2,395	2,346	2,533	2,543	3,001	3,336	2,032
Total Dollar Value Paid *(billions of dollars)*		11.8	20.0	21.9	34.2	43.5	44.3	82.6	53.8	73.1	122.2	179.8	173.1	163.7
$100 Million–Plus Deals		14	39	41	80	83	94	113	116	138	200	270	346	301
Method of Payment	Cash	48%	52%	54%	46%	53%	47%	42%	38%	32%	43%	51%	42%	41%
	Stock	27%	26%	26%	30%	26%	31%	34%	29%	35%	26%	23%	32%	34%
	Combi-nation	23%	20%	18%	23%	20%	21%	23%	31%	33%	30%	26%	26%	24%
	Debt	2%	2%	2%	1%	1%	1%	1%	2%	—	1%	—	—	1%
Divestitures		1,236	1,204	1,002	820	752	666	830	875	932	900	1,218	1,259	807
Acquisitions of Publicly Traded Sellers		130	163	193	260	248	173	168	180	190	211	336	386	286
Acquisitions of Privately Held Sellers		*	856	971	969	1,049	988	1,330	1,222	1,316	1,351	1,358	1,598	855
Total Foreign Sellers		178	126	112	98	119	102	101	121	146	147	175	180	142
Total Foreign Buyers		184	178	162	199	236	187	234	154	125	151	197	264	220
Average P/E Paid		13.3	15.1	13.8	14.3	14.3	15.2	15.6	13.9	16.7	17.2	18.0	22.2	23.3
Average Premium Paid Over Market		41.4	40.4	40.9	46.2	49.9	49.9	48.0	47.4	37.7	37.9	37.1	38.2	38.3
Cancelled Transactions		267	177	150	171	219	178	163	189	162	218	236	199	155

**Item not tracked during that year.*

THE W. T. GRIMM & CO. RECORD HOLDERS

Item	Record	Year Attained
Net Merger & Acquisition Announcements	6,107	1969
Total Dollar Value Paid	$179.8 billion	1985
$100 Million-Plus Deals	346	1986
Cash Payments	67%	1965
Stock Payments	62%	1968
Combination Payments	33%	1983
Divestitures	1,920	1971
Acquisitions of Publicly Traded Sellers	386	1986
Acquisitions of Privately Held Sellers	1,598	1986
Foreign Sellers	531	1972
Foreign Buyers	264	1986
Average P/E Paid	24.6X	1968
Average Premium Paid Over Market	50.1%	1974
Cancelled Transactions	620	1969

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Selected Acquisition Record Holders

Buyer / Seller	Price Paid (millions)	Year Announced
Largest Acquisitions in U.S. Corporate History		
1. Chevron Corp. Gulf Corp.	$13,205.6	1984
2. Texaco Inc. Getty Oil Co.	10,128.9	1984
3. DuPont Co. Conoco Inc.	8,039.8	1981
4. British Petroleum Co. - U.K. Standard Oil Co.	7,762.2	1987
5. U.S. Steel Corp. Marathon Oil Co.	6,618.5	1981
Largest Non-Oil Acquisitions in U.S. Corporate History		
1. General Electric Co. RCA Corp.	5,965.1	1985
2. Philip Morris Cos. General Foods Corp.	5,627.5	1985
3. Kohlberg Kravis Roberts & Co. Beatrice Cos.	5,361.6	1985
4. Santa Fe Industries Inc. Southern Pacific Co.	5,099.1	1983
5. General Motors Corp. Hughes Aircraft Co.	5,025.0	1985
Largest Acquisitions of Publicly Traded Sellers		
1. Chevron Corp. Gulf Corp.	13,205.6	1984
2. Texaco Inc. Getty Oil Co.	10,128.9	1984
3. DuPont Co. Conoco Inc.	8,039.8	1981
4. British Petroleum Co. - U.K. Standard Oil Co.	7,762.2	1987
5. U.S. Steel Corp. Marathon Oil Co.	6,618.5	1981
Largest Statutory Mergers		
1. Santa Fe Industries Inc. Southern Pacific Co.	5,099.1	1983
2. Connecticut General Corp. INA Corp.	4,211.7	1981
3. Kraft Inc. Dart Industries Inc.	2,400.0	1980
4. Cleveland Electric Illuminating Co. Toledo Edison Co.	2,386.0	1985
5. Freeport Minerals Co. McMoran Oil & Gas Co.	2,319.9	1980

Buyer Seller	Price Paid (millions)	Year Announced
Largest Acquisitions of Privately Owned Sellers		
1. General Motors Corp. Hughes Aircraft Co.	$ 5,025.0	1985
2. Shell Oil Co. Belridge Oil Co.	3,653.0	1979
3. Private Group - led by Tele-Communications Inc. SCI Holdings Inc.	1,700.0	1987
4. Rockwell International Corp. Allen-Bradley Co.	1,650.0	1985
5. Coca-Cola Corp. JTL Corp.	1,400.0	1986
Largest Divestitures		
1. Broken Hill Proprietary Co. - Australia General Electric Co. (Utah International Inc.)	2,400.0	1983
2. Sun Co. Inc. Seagram Co. Ltd. - Canada (Texas Pacific Oil Co.)	2,300.0	1980
3. Olympia & York Developments Ltd. - Canada Chevron Corp. (60.2% interest in Gulf Canada Ltd.)	2,042.3	1985
4. Sony Corp. - Japan CBS Inc. (CBS Records)	2,000.0	1987
5. Shearson Lehman Brothers Inc. Standard Oil Co. (Industrial Holdings Corp.)	1,800.0	1987
Largest Acquisitions of U.S. Companies by Foreign Buyers		
1. British Petroleum Co. - U.K. Standard Oil Co.	7,762.2	1987
2. Royal Dutch/Shell Group - Netherlands Shell Oil Co. - Rem. 30.5%	5,467.9	1984
3. Societe Nationale Elf Aquitaine - France Texasgulf Inc.	4,293.7	1981
4. Campeau Corp. - Canada Allied Stores Corp.	3,249.8	1987
5. Unilever N.V. - Netherlands Chesebrough-Pond's Inc.	3,092.8	1986
Largest Acquisitions of Foreign Companies by U.S. Buyers		
1. Amoco Corp. Dome Petroleum Ltd. - Canada	4,180.0	1987
2. Sun Co. Inc. Seagram Co. Ltd. - Canada (Texas Pacific Oil Co.)	2,300.0	1980
3. JMB Realty Corp. Cadillac Fairview Corp. - Canada	1,924.4	1987
4. Wells Fargo & Co. Midland Bank PLC - U.K. (Crocker National Corp.)	1,080.0	1986
5. Trafalgar Holdings Ltd. Grand Metropolitan PLC - U.K. (Intercontinental and Forum Hotel chains)	900.0	1986

Buyer Seller	Price Paid (millions)	Year Announced
Largest "Going Private" Transactions		
1. Kohlberg Kravis Roberts & Co. Beatrice Cos.	$ 5,361.6	1985
2. SSI Holdings Corp. Safeway Stores Inc.	4,198.4	1986
3. Private Group - led by Merrill Lynch Capital Partners Borg-Warner Corp.	3,798.6	1987
4. Private Group - led by John & Jere Thompson Southland Corp.	3,723.3	1987
5. Kohlberg Kravis Roberts & Co. Owens-Illinois Inc.	3,631.9	1986
Largest Unit Management Buyouts		
1. Private Group - led by Kohlberg Kravis Roberts & Co. Allied Corp. (50% of Union Texas Petroleum)	1,700.0	1985
2. Private Group - led by division management Exxon Corp. (Reliance Electric Co.)	1,350.0	1986
3. Private Group - Ford Motor Co. and Hertz management Allegis Corp. (Hertz Corp.)	1,300.0	1987
4. Private Group - led by Kohlberg Kravis Roberts & Co. City Investing Co. (Rheem Manufacturing Co., World Color Press Inc., Uarco Inc.)	1,251.0	1984
5. Private Group - led by Playtex management Beatrice Cos. (International Playtex Inc.)	1,250.0	1986
Largest Cancellations		
1. [1]Henley Group Inc. Santa Fe Southern Pacific Corp.	9,897.7	1987
2. Olympia & York Developments Ltd. Santa Fe Southern Pacific Corp.	9,897.7	1987
3. Mobil Corp. Conoco Inc.	8,845.8	1981
4. Private Group - led by T. Boone Pickens Unocal Corp.	8,104.8	1985
5. Private Group - led by Carl Icahn Phillips Petroleum Corp.	8,056.4	1985

Industry Record Holders

Agricultural Production

1. Loews Corp. Lorillard Inc.	727.4	1968
2. Shamrock Holdings Central Soya Co. - Rem. 89.2%	301.9	1985
3. Private Group Gulf & Western Industries Inc. (sugar operations in Florida and Dominican Republic)	200.0	1984
4. Private Group - led by Brewer management (IU International Corp. (C. Brewer & Co.)	200.0	1986
5. Sandoz Ltd. Northrup, King & Co.	186.7	1976

[1]See Figure 59 for detailed information.

Buyer Seller	Price Paid (millions)	Year Announced
Food Processing		
1. Philip Morris Cos. General Foods Corp.	$ 5,627.5	1985
2. Kohlberg Kravis Roberts & Co. Beatrice Cos.	5,361.6	1985
3. R.J. Reynolds Industries Inc. Nabisco Brands Inc.	4,906.4	1985
4. Nestle S.A. - Switzerland Carnation Co.	2,885.4	1984
5. Beatrice Foods Co. Esmark Inc.	2,508.6	1984
Beverages		
1. Coca-Cola Co. JTL Corp.	1,400.0	1986
2. Grand Metropolitan PLC - U.K. RJR Nabisco Inc. (Heublein unit)	1,200.0	1987
3. Bond Corp. Holdings Ltd. - Australia G. Heileman Brewing Inc.	1,083.6	1987
4. Coca-Cola Co. Beatrice Cos. (certain bottling assets)	1,000.0	1986
5. PepsiCo Inc. M.E.I. Corp.	683.0	1985
Apparel		
1. Private Group Levi Strauss & Co. - Rem. 60%	1,108.2	1985
2. Private Group Blue Bell Inc.	522.3	1984
3. Private Group - includes principal of Spectrum Group Warnaco Inc.	471.6	1986
4. VF Corp. Blue Bell Holding Co.	361.0	1986
5. West Point Pepperell Cluett Peabody & Co.	330.9	1985
Textiles		
1. Private Group - led by Morgan Stanley Group Burlington Industries Inc.	2,128.6	1987
2. Wickes Cos. Inc. Collins & Aikman Corp.	1,155.4	1986
3. Pacific Holding Corp. Cannon Mills Co.	412.8	1982
4. Private Group Cone Mills Corp.	385.1	1983
5. Private Group Albany International Corp.	270.4	1983

Buyer Seller	Price Paid (millions)	Year Announced
Timber & Forest Products		
1. Champion International Corp. St. Regis Corp.	$ 1,813.7	1984
2. Great Northern Nekoosa Corp. Owens-Illinois Inc. (Forest Products Group)	1,150.0	1987
3. Maxxam Group Inc. Pacific Lumber Co. - Rem. 95.4%	828.6	1985
4. International Paper Co. Bodcaw Co.	805.0	1979
5. Kohlberg Kravis Roberts & Co. Bendix Corp. (Forest Products Group)	435.0	1980
Paper		
1. International Paper Co. Hammermill Paper Co.	1,077.2	1986
2. Canadian Pacific Enterprises - Canada International Paper Co. (Canadian International Paper Co.)	880.0	1981
3. Johns-Manville Corp. Olinkraft, Inc.	581.2	1978
4. James River Corp. American Can Co. (Dixie towel, tissue and folding carton business)	420.0	1982
5. Private Group Papercraft Corp.	280.5	1985
Packaging & Containers		
1. Kiewit-Murdock Investment Co. Continental Group Inc.	2,482.0	1984
2. Owens-Illinois Inc. Brockway Inc.	749.6	1987
3. Private Group - Jefferson Smurfit Corp. and Morgan Stanley & Co. Mobil Corp. (Container Corp. of America)	700.0	1986
4. Triangle Industries Inc. American Can Co. (packaging operations)	570.0	1986
5. Fort Howard Paper Co. Maryland Cup Corp.	535.1	1983
Furniture		
1. Interco Inc. Lane Inc.	505.1	1986
2. Fibic Corp. Congoleum Corp.	446.6	1979
3. Masco Corp. Henredon Furniture Industries Inc.	301.6	1986
4. Masco Corp. Merrillatt Industries	219.3	1985
5. Beta Partners Triangle Pacific Corp.	201.5	1986

Buyer Seller	Price Paid (millions)	Year Announced
Building Products & Materials		
1. Kohlberg Kravis Roberts & Co. Jim Walter Corp.	$ 1,908.7	1987
2. Private Group - led by management National Gypsum Co.	1,327.0	1985
3. U.S. Gypsum Co. Masonite Corp.	377.9	1984
4. Genstar Ltd. Flintkote Co.	305.8	1979
5. L. B. Foster Co. Kidder Inc. (hardware, building units)	300.0	1985
Household Goods		
1. Brown-Forman Distillers Corp. Lenox Inc.	814.3	1983
2. AB Electrolux - Netherlands White Consolidated Industries Inc.	742.7	1986
3. Maytag Co. Magic Chef Inc.	691.2	1986
4. Chicago Pacific Hoover Co.	534.1	1985
5. Allegheny International Inc. Sunbeam Corp.	475.7	1981
Printing & Publishing		
1. Gannett Co. Inc. Evening News Association	717.1	1985
2. Gulf & Western Industries Inc. Prentice-Hall Inc.	705.3	1984
3. Private Group - management group led by president CBS Inc. (magazine div.)	650.0	1987
4. Times Mirror Co. A.S. Abell Co.	600.0	1986
5. Private Group Harte-Hanks Communications Inc.	526.3	1984
Chemicals, Paints & Coatings		
1. Hoechst A G - West Germany Celanese Corp.	2,866.5	1986
2. Chesebrough-Pond's, Inc. Stauffer Chemical Co.	1,218.0	1985
3. Occidental Petroleum Corp. Diamond Shamrock Corp. (Diamond Shamrock Chemicals Co.)	800.0	1986
4. Avery Inc. Uniroyal Inc. (Uniroyal Chemical Co.)	760.0	1986
5. Imperial Chemical Industries PLC - U.K. Beatrice Cos. (Chemical operations)	750.0	1984

Buyer Seller	Price Paid (millions)	Year Announced
Drugs, Medical Supplies & Equipment		
1. Baxter Travenol Laboratories American Hospital Supply Corp.	$ 3,702.6	1985
2. Monsanto Co. G.D. Searle & Co.	2,717.1	1985
3. Procter & Gamble Co. Richardson-Vicks Inc.	1,611.4	1985
4. Schering Corp. Plough Inc.	1,428.6	1970
5. American Home Products Corp. A.H. Robins Inc.	700.0	1987
Toiletries & Cosmetics		
1. Pantry Pride Inc. Revlon Inc.	1,638.7	1985
2. Private Group - Ronald O. Perelman Revlon Inc.	841.7	1987
3. Faberge Inc. Eli Lilly & Co. (Elizabeth Arden unit)	700.0	1987
4. Yves Saint Laurent S.A. Squibb Corp.	631.0	1986
5. Norton Simon Inc. Max Factor & Co.	474.2	1972
Plastics & Rubber		
1. Montedison SpA - Italy Hercules Inc. (Himont Inc.)	1,490.0	1987
2. Private Group Uniroyal Inc.	747.3	1985
3. Medco Containment Services Inc. Porex Technologies Corp.	378.4	1987
4. Fort Howard Paper Co. Lily Tulip Inc.	325.8	1986
5. Envirodyne Industries Inc. Union Carbide Corp. (film packaging div.)	230.0	1985
Stone, Clay & Glass		
1. Kennecott Copper Carborundum Co.	525.1	1977
2. California Portland Cement Co. Conrock Co.	358.0	1984
3. Canada Cement Lafarge Ltd. - Canada General Portland Inc.	325.6	1981
4. C. H. Beazer Holdings PLC - U.K. Gifford Hill & Co. Inc.	274.5	1986
5. Lone Star Industries Inc. Gulf & Western Industries Inc. (Marquette Co.)	267.0	1982

Buyer Seller	Price Paid (millions)	Year Announced
Primary Metal Processing		
1. American Express Co. Standard Oil Co. (Industrial Holding Corp.)	$ 1,800.0	1987
2. Alcan Aluminum Ltd. - Canada Atlantic Richfield Co. (most aluminum operations)	896.0	1984
3. CJI Industries Inc. Triangle Industries Inc.	856.0	1987
4. LTV Corp. Republic Steel Corp.	744.8	1983
5. Atlantic Richfield Co. Anaconda Co.	678.9	1976
Fabricated Metal Products		
1. Illinois Tool Works Signode Corp.	500.0	1986
2. Household International Inc. Wallace Murray Corp.	332.0	1981
3. Private Group - Hicks & Haas and Donaldson Lufkin & Jenrette Maxxam Group Inc. (Palco Industries Inc.)	320.0	1987
4. Aluminum Company of America TRE Corp.	315.9	1986
5. International Telephone & Telegraph Corp. Grinnel Corp.	251.2	1968
Industrial & Farm Equipment & Machinery		
1. Textron Inc. Ex-Cell-O Corp.	1,047.5	1986
2. J. Ray McDermott Babcock & Wilcox	720.1	1977
3. Private Group - Senior Management & ESOP Amsted Industries Inc.	661.1	1986
4. Wheelabrator-Frye Inc. Pullman Inc.	584.6	1980
5. Banner Industries Inc. Rexnord Inc.	526.2	1987
Construction, Mining & Oil Field Machinery, Equipment		
1. Hughes Tool Co. Baker International Corp.	1,200.0	1987
2. Cooper Industries Inc. Gardner-Denver Co.	629.3	1979
3. Private Group - formed by Adler & Shaykin Joy Manufacturing Co.	621.0	1986
4. Esco Corp. Hyster Co.	340.5	1983
5. Penn Central Corp. Marathon Manufacturing Co.	333.9	1979

Buyer Seller	Price Paid (millions)	Year Announced
Valves, Pumps & Hydraulics		
1. McGraw-Edison Co. Studebaker-Worthington Inc.	$ 727.8	1979
2. Reading Co. Gould Inc. (Industrial Products Group)	380.0	1981
3. General Electric Co. PLC - U.K. Reliance Corp. (Gilbarco)	300.0	1987
4. Libbey-Owens-Ford Co. Sperry Corp. (Vickers unit)	265.0	1983
5. Private Group - led by Clayton & Dubilier with management Borg-Warner Corp. (Industrial Products unit)	240.0	1987
Autos & Trucks		
1. Chrysler Corp. American Motors Corp.	1,180.0	1987
2. Toyo Kogyo Ltd. - Japan Ford Motor Co. (Ford Industries Inc.)	400.0	1979
3. Itel Corp. Evans Products Co. (Evans Transportation Co.)	300.0	1987
4. Daimler Benz - West Germany Consolidated Freightways Inc. (Freightliner Corp.)	225.0	1981
5. LTV Corp. American Motors Corp. (A M General Corp.)	170.0	1983
Automotive Products & Accessories		
1. Private Group - led by Merrill Lynch and management Fruehauf Corp.	721.5	1996
2. Continental AG GenCorp Inc. (General Tire)	650.0	1987
3. Private Group - led by Clayton & Dubilier B.F. Goodrich Co. (Uniroyal Goodrich Tire Co.)	500.0	1987
4. Johnson Controls Inc. Hoover Universal	487.3	1985
5. P.S.A. Peugeot Citroen - France Chrysler Corp. (European operations)	426.0	1978
Electrical Equipment		
1. Ralston Purina Co. Union Carbide Corp. (Battery div.)	1,420.0	1986
2. Private Group - division management Exxon Corp. (Reliance Electric Co.)	1,350.0	1986
3. IBM Corp. Rolm Corp.	1,245.8	1984
4. Exxon Corp. Reliance Electric Co.	1,160.0	1979
5. Cooper Industries Inc. McGraw-Edison	1,076.6	1985

Buyer Seller	Price Paid (millions)	Year Announced
Office Equipment & Computer Hardware		
1. Burroughs Corp. Sperry Corp.	$ 4,394.2	1986
2. Xerox Corp. Scientific Data Systems Inc.	999.9	1969
3. Memorex International N.V. Telex Corp.	909.9	1987
4. American Brands Inc. Acco World Corp.	600.7	1987
5. Prime Computer Inc. Computervision Corp.	434.4	1987
Electronics		
1. Allied Corp. Signal Cos.	4,476.1	1985
2. Rockwell International Allen-Bradley Co.	1,650.0	1985
3. Penn Central Corp. G.K. Technologies Inc.	699.6	1981
4. Hawley Group Ltd. - U.K. ADT Inc.	686.6	1987
5. Signal Cos. Ampex Corp.	431.6	1980
Aerospace, Aircraft & Defense		
1. General Motors Corp. Hughes Aircraft Co.	5,025.0	1985
2. Lockheed Corp. Sanders Associates Inc.	1,174.9	1986
3. Bendix Corp. Martin Marietta Corp. (70%)	1,118.3	1982
4. Honeywell Inc. Burroughs Corp. (Unisys) (Sperry Aerospace)	1,030.0	1986
5. Chrysler Corp. Gulfstream Aerospace	640.6	1985
Instruments & Photographic Equipment		
1. Smith Kline Corp. Beckman Instruments Inc.	1,045.1	1981
2. Private Group - led by Robert M. Bass and management Bell & Howell Co.	600.0	1987
3. Siebe PLC - U.K. Robertshaw Controls Co.	557.5	1986
4. International Paper Co. Anitec Image Technology Corp.	303.2	1987
5. Ciba-Geigy Ltd. - Switzerland Spectra-Physics Inc.	276.3	1987

Buyer / Seller	Price Paid (millions)	Year Announced
Toys & Recreational Equipment		
1. Tonka Corp. Kenner Parker Toys Inc.	$ 590.8	1987
2. Brunswick Corp. Bayliner Marine Corp.	425.0	1986
3. Hasbro Industries Inc. Milton Bradley Co.	352.0	1984
4. Brunswick Corp. Ray Industries Inc.	350.0	1986
5. Private Group Warner Communications Inc. (Atari Inc.)	240.0	1984
Miscellaneous Manufacturing		
1. Private Group - division management Beatrice Cos. (International Playtex)	1,250.0	1986
2. Hallmark Cards Inc. Binney & Smith Inc.	203.8	1984
3. Textron Inc. Talon Inc.	203.8	1968
4. Allied-Signal Inc. Oak Industries Inc. (Materials Group)	160.0	1985
5. Gefinor S.A. - Switzerland Textron Inc. (Sheaffer-Eaton div.)	135.0	1987
Oil & Gas		
1. Chevron Corp. Gulf Corp.	13,205.6	1984
2. Texaco Inc. Getty Oil Co.	10,128.9	1984
3. DuPont Co. Conoco Inc.	8,039.8	1981
4. British Petroleum Co. PLC - U.K. Standard Oil Co.	7,762.2	1987
5. U.S. Steel Corp. Marathon Oil	6,618.5	1981
Mining & Minerals		
1. Societe Nationale Elf Aquitaine - France Texasgulf Inc.	4,293.7	1981
2. Fluor Corp. St. Joe Minerals Corp.	2,694.2	1981
3. Broken Hill Proprietary Co. - Australia General Electric Co. (Utah International Inc.)	2,400.0	1983
4. Standard Oil Co. Kennecott Corp.	2,061.3	1981
5. General Electric Co. Utah International Inc.	1,906.5	1975

Buyer Seller	Price Paid (millions)	Year Announced
Transportation		
1. Santa Fe Industries Inc. Southern Pacific Co.	$ 5,099.1	1983
2. Southern Railway Norfolk & Western Railway	1,730.2	1980
3. USAir Group, Inc. Piedmont Aviation Inc.	1,317.1	1987
4. Kansas City Southern Industries Inc. Santa Fe Southern Pacific Corp. (Southern Pacific Railroad)	1,250.0	1987
5. Union Pacific Corp. Overnite Transportation Co.	1,200.0	1986
Communications		
1. Continental Telecom Inc. Communications Satellite Corp.	2,417.6	1986
2. Southwestern Bell Corp. Metromedia Inc. (cellular phone operations)	1,200.0	1986
3. GTE Corp. Southern Pacific Co. (Sprint & Spacenet units)	750.0	1982
4. MCI Communications IBM (Satellite business systems)	459.4	1985
5. Mid-Continent Telephone Co. Allied Telephone Co.	434.9	1983
Broadcasting		
1. Capital Cities American Broadcasting Co.	3,526.8	1985
2. Private Group - led by Tele-Communications Inc. SCI Holdings Inc.	1,700.0	1987
3. Time Inc., Tele-Communications Inc. *et al.* Westinghouse (Group W Cable)	1,600.0	1985
4. Private Group Storer Communications	1,569.3	1985
5. Private Group - led by Carl Lindner Taft Broadcasting Co.	1,446.1	1987
Electric, Gas, Water & Sanitary Services		
1. Cleveland Electric Toledo Edison	2,386.0	1985
2. Pacific Corp. Utah Power & Light Co.	1,900.0	1987
3. Union Pacific Corp. Uspci Inc.	415.0	1987
4. Waste Management and Genstar Inc. SCA Services Inc.	407.2	1984
5. American Electric Power Co. Columbus & Southern Ohio Electric Co.	387.4	1980

Buyer Seller	Price Paid (millions)	Year Announced
Wholesale & Distribution		
1. Private Group Malone & Hyde Inc.	$ 548.3	1984
2. Private Group - formed by Kelso & Co. Beatrice Cos. (Americold)	480.0	1986
3. Wesray Capital Corp. Beneficial Corp. (Western Auto Supply Co.)	300.0	1985
4. Genuine Parts Co. General Automotive Parts Corp.	250.2	1981
5. Distillers Co. - U.K. Esmark Inc. (Somerset Importers Ltd.)	250.0	1984
Retail		
1. SSI Holdings Corp. - Kohlberg Kravis Roberts & Co. Safeway Stores Inc.	4,198.4	1986
2. Private Group - execs John and Jere Thompson Southland Corp.	3,723.3	1987
3. Private Group R.H. Macy & Co.	3,484.7	1985
4. Campeau Corp. Allied Stores Corp.	3,249.8	1987
5. May Department Stores Co. Associated Dry Goods Corp.	2,638.0	1986
Banking & Finance		
1. Hartford National Corp. Shawmut Corp.	2,000.0	1987
2. Wachovia Corp. First Atlanta Corp.	1,845.3	1985
3. Manufacturers Hanover Corp. RCA Corp. (C.I.T. Financial Corp.)	1,510.0	1983
4. RCA Corp. C.I.T. Financial Corp.	1,350.0	1979
5. Fleet Financial Group Inc. Norstar Bancorp Inc.	1,300.0	1987
Insurance		
1. Connecticut General Corp. INA Corp.	4,211.7	1981
2. American General Corp. NLT Corp.	1,593.7	1982
3. Xerox Corp. Crum & Forster	1,572.3	1982
4. ICH Corp. Tenneco Inc. (Insurance Operations)	1,500.0	1986
5. Baldwin-United Corp. MGIC Investment Corp.	1,174.5	1981

Buyer Seller	Price Paid (millions)	Year Announced
Real Estate		
1. JMB Realty Corp. Cadillac Fairview Ltd. - Canada	$ 1,924.4	1987
2. Private Group - Donald Brent Irvine Co. (86%)	500.0	1983
3. Hooker Corp. Ltd. Merrill Lynch & Co. Inc. (commercial real estate brokerage)	500.0	1986
4. Olympia & York Developments Ltd. - Canada National Kinney Corp. (9 office buildings)	350.0	1976
5. Trammell Crow Co. Jack A. Benaroya Co.	300.0	1984
Brokerage, Investment & Management Consulting Services		
1. Shearson Lehman Brothers Holdings Inc. E.F. Hutton Group Inc.	1,008.1	1987
2. American Express Co. Shearson Loeb Rhoades, Inc.	943.0	1981
3. American Express Co. Allegheny Corp. (Investors Diversified Services Inc.)	829.1	1983
4. Primerica Corp. Smith Barney, Harris Upham & Co.	750.0	1987
5. Sears, Roebuck & Co. Dean Witter Reynolds Organization Inc.	607.0	1981
Computer Software, Supplies & Services		
1. General Motors Corp. Electronic Data Systems Corp.	2,545.6	1984
2. Computer Associates International Inc. Uccel Corp.	770.1	1987
3. Citicorp Quotron Systems Inc.	657.6	1986
4. Private Group - Eli S. Jacobs and division management Burroughs Corp. (Memorex - partial)	550.0	1986
5. Dow Jones & Co. and Oklahoma Publishing Co. Telerate Inc. (52%)	459.8	1985
Construction Contractors & Engineering Services		
1. Boise-Cascade Corp. Ebasco Industries Inc.	598.4	1969
2. Private Group Parsons Corp. - Rem. 71%	546.9	1984
3. Private Group - Gibbons, Green, van Amerongen Ltd. and management Congoleum Industries Inc. (Bath Iron Works Corp.)	500.0	1986
4. Natomas Co. Magma Power Co.	449.5	1981
5. NV Homes L.P. Ryan Homes Inc.	334.1	1986

Buyer Seller	Price Paid (millions)	Year Announced
Energy Services		
1. Kuwait Petroleum Corp. - Kuwait Santa Fe International Corp.	$ 2,486.1	1981
2. Schlumberger Ltd. Sedco Inc.	1,055.9	1984
3. Aetna Life & Casualty Co. Geosource Inc. - Rem. 71%	609.7	1982
4. Schlumberger Ltd. Dow Chemical Co. (50% of Dowell oil-field services)	440.0	1984
5. Gearhart Industries Inc. Aetna Life & Casualty Co. (Geosource Inc.)	350.0	1984
Health Services		
1. American Medical International Inc. Lifemark Corp.	1,144.5	1983
2. Private Group - chairman and senior management Charter Medical Corp.	1,018.7	1987
3. Hospital Corp. of America INA Corp. (Hospital Affiliates International)	650.0	1981
4. Baxter Travenol Laboratories Inc. Caremark Inc.	489.1	1987
5. Maxicare Health Plans Inc. Healthamerica Corp.	430.2	1986
Leisure & Entertainment		
1. Sony Corp. CBS Inc. (CBS Records)	2,000.0	1987
2. Turner Broadcasting System Inc. MGM/UA Entertainment	1,507.0	1985
3. Private Group - led by Robert M. Bass and Aioki Corp. Allegis Corp. (Westin Hotels & Resorts)	1,350.0	1987
4. Ladbroke Group PLC - U.K. Allegis Corp. (Hilton International)	1,070.0	1987
5. UAL Inc. Transworld Corp. (Hilton International Corp.)	980.0	1986
Miscellaneous Services		
1. Dun & Bradstreet Corp. A.C. Nielsen Co.	1,571.2	1984
2. Blue Arrow PLC - U.K. Manpower Inc.	1,330.8	1987
3. Private Group - Ford Motor Co. and Hertz management Allegis Corp. (Hertz Corp.)	1,300.0	1987
4. Private Group - employee stock ownership Wesray Capital Corp. (Avis Inc.)	750.0	1987
5. Private Group - Gerald P. Joyco Metromedia Inc. (Billboard operation)	710.0	1986

Buyer Seller	Price Paid (millions)	Year Announced
Conglomerate		
1. General Electric Co. RCA Corp.	$ 5,965.1	1985
2. Private Group - led by Merrill Lynch Capital Partners Borg-Warner Corp.	3,798.6	1987
3. Private Group - Kohlberg Kravis Roberts & Co. and management Owens-Illinois Inc.	3,631.9	1986
4. Unilever N.V. - Netherlands Chesebrough-Pond's Inc.	3,092.8	1986
5. Kraft Inc. Dart Industries Inc.	2,400.0	1980

III.

MERGERSTAT® INDUSTRY ANALYSIS of 50 Seller-Based Classifications 1987

MERGERSTAT® INDUSTRY ANALYSIS

The following statistics are provided for each of the 50 seller-based W. T. Grimm & Co. industry classifications:

Net Announcements — the total number of completed or pending transactions as of 12/31/87.

VALUATION OF TRANSACTIONS

Price Paid — the total dollar value paid expressed in millions of dollars.

Base — the number of transactions disclosing a purchase price, i.e., the base on which total dollar value was tabulated.

Price/Earnings Paid — the average P/E paid.

Base — the number of transactions disclosing the seller's earnings, i.e., the base on which average P/E paid was computed.

Percent Premium Paid — the average premium paid over sellers' market prices five business days prior to the initial announcement.

Base — the number of transactions for which a premium paid over market was computed.

METHOD OF PAYMENT

Cash — the number of transactions in which cash was used as payment.

Stock — the number of transactions in which stock was used as payment.

Combination — the number of transactions in which a combination of cash, stock and/or debt was used.

Debt — the number of transactions in which straight and/or convertible debt was used.

Divestitures — the number of divisional/partial sales; divestiture figure is included in net announcements.

Foreign Buyers — the number of transactions involving foreign buyers.

Industry Classification of Seller	Net Announcements	VALUATION OF TRANSACTIONS						METHOD OF PAYMENT				Divestitures	Number Foreign Buyers
		Price Paid (Millions)	Base	Average Price/Earnings Paid	Base	Average Percent Premium Paid	Base	Cash	Stock	Combination	Debt		
Agricultural Production	11	$ 187.7	2	7.4	1	71.4%	1	—	1	1	—	3	1
Food Processing	78	3,315.9	22	21.0	8	27.1	6	10	3	6	—	27	7
Beverages	19	4,436.3	13	18.1	2	17.4	2	2	—	1	—	18	6
Apparel	23	567.4	9	41.9	1	26.5	3	3	—	5	—	8	2
Textiles	14	2,702.1	11	40.0	2	25.9	2	2	1	1	—	8	3
Timber & Forest Products	2	1,545.9	2	—	—	41.0	1	1	—	—	—	1	—
Paper	8	392.2	3	—	—	—	—	1	—	—	—	4	—
Packaging & Containers	16	1,025.8	7	23.0	4	32.9	3	3	3	1	—	7	2
Furniture	12	41.2	2	13.5	1	69.7	1	2	—	—	—	4	—
Building Products & Materials	18	2,398.9	11	14.8	2	32.3	2	4	2	1	—	5	3
Household Goods	12	654.2	5	14.2	2	17.4	1	2	—	2	—	4	4
Printing & Publishing	66	3,240.6	25	26.9	7	44.9	5	5	2	8	—	29	6
Chemicals, Paints & Coatings	70	2,850.0	19	21.9	4	28.6	2	5	1	4	—	35	12
Drugs, Medical Supplies & Equipment	71	2,269.7	30	23.6	5	35.2	8	8	11	9	—	33	8
Toiletries & Cosmetics	16	2,911.8	11	38.9	4	29.3	3	3	2	—	—	8	2
Plastics & Rubber	27	2,333.3	12	27.5	6	23.7	5	6	—	2	—	10	7
Stone, Clay & Glass	18	417.0	7	12.1	2	44.2	2	4	—	—	—	9	6
Primary Metal Processing	22	3,603.8	12	17.0	2	29.5	5	5	1	2	—	12	7
Fabricated Metal Products	40	1,058.8	13	—	—	40.0	2	5	—	1	—	26	6
Industrial & Farm Mach. & Equip.	59	2,884.7	29	16.4	2	25.0	12	13	2	3	—	27	12
Construction, Mining & Oil Field Machinery & Equipment	21	1,923.6	10	93.5	1	11.1	3	6	2	—	—	13	4
Valves, Pumps & Hydraulics	13	602.3	5	22.2	1	36.2	1	2	1	1	—	9	3
Autos & Trucks	8	1,675.0	4	—	—	—	—	—	—	1	—	4	—
Automotive Products & Accessories	24	1,998.2	11	8.2	1	36.2	1	6	—	2	—	15	2
Electrical Equipment	53	2,600.5	27	28.1	7	38.8	7	11	4	4	—	26	4
Office Equipment & Computer Hardware	56	2,828.5	24	27.2	6	39.3	10	10	10	5	—	18	6

(Continued on following page)

FULL YEAR — 1987 (Continued)

Industry Classification of Seller	Net Announcements	VALUATION OF TRANSACTIONS						METHOD OF PAYMENT				Divestitures	Number Foreign Buyers
		Price Paid (Millions)	Base	Average Price/Earnings Paid	Base	Average Percent Premium Paid	Base	Cash	Stock	Combination	Debt		
Electronics	43	2,613.3	21	19.2	5	28.0	7	7	6	5	—	24	7
Aerospace, Aircraft & Defense	30	2,434.9	18	21.6	4	39.8	3	9	1	1	—	19	3
Instruments & Photographic Equipment	59	2,153.2	25	28.7	7	47.7	7	6	5	3	—	26	9
Toys & Recreational Products	22	923.4	9	25.5	2	90.7	2	2	2	2	—	9	1
Miscellaneous Manufacturing	10	1,757.6	6	42.5	1	38.7	1	4	—	1	—	9	6
Oil & Gas	30	15,442.0	18	36.5	2	41.4	7	2	8	3	—	13	5
Mining & Minerals	8	675.7	6	18.8	1	25.0	1	2	—	1	—	6	1
Transportation	34	4,955.9	17	15.6	4	29.1	8	7	2	4	—	13	3
Communications	28	1,451.7	15	23.0	3	25.8	4	3	6	2	—	9	—
Broadcasting	64	8,728.7	47	—	—	10.8	4	9	2	2	—	48	1
Electric, Gas, Water & San. Services	14	3,005.2	10	26.2	7	42.5	6	5	4	—	—	4	1
Wholesale & Distribution	86	748.1	17	19.0	3	22.7	3	6	7	8	—	27	8
Retail	150	17,038.8	78	24.0	26	50.7	26	27	10	19	—	64	15
Banking & Finance	262	16,209.2	160	15.5	37	38.5	28	41	91	19	1	32	10
Insurance	38	2,483.9	20	18.3	2	34.2	3	3	6	5	—	22	3
Real Estate	6	2,191.9	3	—	—	—	—	1	—	1	—	2	1
Brokerage, Investment & Management Consulting Services	32	3,492.1	16	12.3	3	55.7	5	7	5	3	—	7	6
Computer Software, Supplies & Serv.	87	1,674.0	35	40.7	4	34.4	5	5	20	7	—	18	5
Construction Contractors & Engineering Services	27	580.4	12	10.4	3	27.2	4	2	3	4	—	11	2
Energy Services	2	151.7	2	15.8	1	—	—	—	—	—	—	1	—
Health Services	35	1,834.8	12	25.5	3	44.1	2	5	5	4	—	11	2
Leisure & Entertainment	43	6,949.7	31	27.4	7	46.9	7	3	5	8	1	19	6
Miscellaneous Services	139	8,885.6	63	29.3	15	57.5	13	21	13	12	—	49	10
Conglomerate	6	6,839.1	5	23.7	5	37.3	3	2	1	2	—	1	2
Totals & Averages	**2,032**	**163,686.3**	**972**	**23.3**	**216**	**38.3**	**237**	**298**	**248**	**176**	**2**	**807**	**220**

MERGERSTAT INDUSTRY CLASSIFICATIONS

The WTG industry classifications are based on the Standard Industrial Classification (S.I.C.) code numbers. For the convenience of subscribers, we list below the WTG industry categories along with the corresponding S.I.C. code numbers.

WTG Mergerstat Industry	S.I.C. Code Numbers
01—Agricultural Production	0111-0783, 0900s, 2100s
02—Food Processing	2011-2079, 2087-2099
03—Beverages	2082-2086
04—Apparel	2311-2389, 3021, 3131-3172
05—Textiles	2211-2299, 2393, 2395, 2397, 2399
06—Timber & Forest Products	2421-2431, 2435-2439, 2491, 2492, 0800s
07—Paper	2611-2649
08—Packaging & Containers	2441, 2448, 2449, 2651-2655, 3221, 3411
09—Furniture	2434, 2500s
10—Building Products & Materials	2451, 2452, 2661, 3442, 3446, 3448, 3996
11—Household Goods	2391, 2392, 2841, 2842, 3261, 3262, 3263, 3421, 3631-3636, 3639, 3651, 3914
12—Printing & Publishing	2700s
13—Chemicals, Paints & Coatings	2812-2821, 2824, 2843, 2851-2899
14—Drugs, Medical Supplies & Equipment	2830s, 3693, 3841-3851
15—Toiletries & Cosmetics	2844
16—Plastics & Rubber	2822, 2823, 3031-3079
17—Stone, Clay & Glass	3211, 3229-3259, 3269-3299, 1422, 1423, 1429, 1442, 1446
18—Primary Metal Processing	3300s
19—Fabricated Metal Products	3412, 3423-3441, 3443, 3444, 3449-3463, 3466-3493, 3495-3499
20—Industrial & Farm Equipment & Machinery	3511, 3519, 3523, 3524, 3534-3559, 3562-3569, 3581-3585, 3589, 3599
21—Construction, Mining & Oil Field Machinery & Equipment	3531, 3532, 3533
22—Valves, Pumps & Hydraulics	3494, 3561, 3586
23—Autos & Trucks	3711, 3713, 3715
24—Automotive Products & Accessories	2396, 3011, 3465, 3592, 3714
25—Electrical Equipment	3264, 3612-3629, 3641-3648, 3661, 3662, 3691, 3692, 3694, 3699
26—Office Equipment & Computer Hardware	3570s
27—Electronics	3671-3679
28—Aerospace, Aircraft & Defense	3721-3728, 3761-3769
29—Instruments & Photographic Equipment	3811-3829, 3861
30—Toys & Recreational Products	3652, 3732, 3751, 3792, 3931-3949
31—Miscellaneous Manufacturing	3911, 3915, 3951-3995, 3999
32—Oil & Gas	1311, 1321, 2911, 2992, 2999, 4612, 4613, 4619
33—Mining & Minerals	1011-1213, 1452-1499
34—Transportation	4011-4214, 4411-4583, 4712
35—Communications	4811, 4821, 4899
36—Broadcasting	4832, 4833
37—Electric, Gas, Water & Sanitary Services	4900s
38—Wholesale & Distribution	5000s, 5100s
39—Retail	5200s, 5300s, 5400s, 5500s, 5600s, 5700s, 5900s
40—Banking & Finance	6000s, 6100s
41—Insurance	6300s, 6411
42—Real Estate	6500s
43—Brokerage, Investment & Management Consulting Services	6200s, 6700s, 7392, 8931
44—Computer Software, Supplies & Services	7372, 7374, 7379
45—Construction Contractors & Engineering Services	1500s, 1600s, 1700s, 2411, 8911
46—Energy Services	1381, 1382, 1389
47—Health Services	8000s
48—Leisure & Entertainment	5812, 5813, 7000s, 7313, 7800s, 7900s
49—Miscellaneous Services	7200s, 7311, 7312, 7319, 7321-7369, 7391, 7393-7399, 7500s, 7600s, 8111, 8200s, 8300s, 8400s, 8600s, 8922
50—Conglomerate	diversified in three or more areas